

Andrew: Hey there Freedom Fighters. My name is Andrew Warner. I am the founder of Mixergy, home of the ambitious upstart. And this is my 1,000th interview. On August 4, 2008, I posted a video up on Mixergy where I looked up into the web cam on my computer and I said "I failed." And I said that I was going to shut down my invitation business and start doing interviews with entrepreneurs and people in general who I admire so I can learn from them and take back what I've learned from them to build a more successful company in the future. And I said that along the way you'd get to watch and learn as I learned directly from my heroes. We did it.

A thousand interviews later here I am today bringing back some of the most memorable and most influential interviewees. People who helped me both on camera here with you and off. I invited them on to a Google Hangout to talk about the old days, to ask them some new questions and to do short interviews with them all for you. That's what this is all about. My goal when I started out was to build a successful company. I think Mixergy is that company. But I wanted to be even more successful. My goal is that I started to talk in interviews afterwards evolved into saying that I would like someone who is watching these interviews to learn from them, to use what they've learned and then build a successful company so they can come back and do an interview themselves.

Basically I consider this a circle of life on Mixergy. You learn. You do. You come back. And you share with other people so that they can learn from you. And I'm so proud at how many people have done that. And I'm hoping that you, the person who is listening right now, will help to complete that circle sometime soon.

We are going to start this whole program off with my interview with Seth Godin, the person who started here with the very first video interview on Mixergy. Lets get right into it.

Andrew: Oh, here we go! Seth.

Seth: Hi, how are you?

Andrew: Hi. Thanks for coming on here.

Seth: It's a pleasure.

Andrew: Right. I think we can get right into it, Seth. Why don't I start with the introduction, which I don't know we even need because I imagine everyone in my audience has got to be a huge fan of Seth the way that I am, but I'll start off by saying Seth is the best-selling author of 17 books. He writes about the post-industrial revolution, the way ideas spread, marketing, quitting, leadership, and most of all changing everything. You might be familiar with his books: "Linchpin", "Tribes", "The Dip" and "Purple Cow".

In addition to his writing and speaking, Seth is the founder of Squidoo, a site for creating single web pages on your interest and recommendations. Seth, thanks for being here.

Seth: Well, it's a pleasure. I'm not sure where here is, but somewhere in cyber space, I guess.

Andrew: Somewhere in cyber space. This is on Mixergy where Seth, you were my first-

Seth: Oh, I know that part. I know that part.

Andrew: Okay, you don't know like what tool we're using?

Seth: No. I know that part, too. What I meant is, I'm in New York, and you're not. The concept of "here" becomes really amorphous. I mean, how can you be...it's like a Star Trek transporter thing. What would happen if the beam split somehow and the data went to two different places and you'd have two Kirks and two Spocks. You know, the sense of here disappears. So that's all. I was just getting metaphysical on you. Of course, I know where I am.

Andrew: Well, thank you for doing this. Seth, you know what? I had a list of questions that I was going to ask you, but I first have to acknowledge my heart was pounding before you got on here. My heart is still just trying to settle in. I've done a thousand of these. I'm still nervous. I thought that at some point the inner resistance, the lizard brain, would quiet down. Can we ever conquer that part of us that creates this insecurity that keeps me from focusing on my questions and has me just focused on my inner demons?

Seth: Well, Steve and I disagree with you about the resistance, but I don't think it can be conquered. I think that trying to conquer it is the problem, that trying to make the fear and the lizard brain go away is what

distracts us and takes all of our time and energy. And in fact, you can befriend it. You can welcome it back and say, "Oh, I'm getting that tingling in my toes and that little pain in my stomach." It means I must be doing something worthwhile.

Andrew: I see.

Seth: And so I look forward to that feeling. It's a good way to remember that you're alive, but it's also a good way to know that you're on track.

Andrew: What brings that up for you? Do you have a specific example of something that brought out that inner resistance?

Seth: It changes over time. When I was starting out and I would give a speech to five or ten people I would be pretty on edge. Now I can give a speech to 1,000 before it starts feeling like something's up. But if I have to, or if I choose to do a talk where it's all brand-new material, I still feel that. I think it's very common to feel it when we feel that we're about to be judged.

You know, you nor I often has a situation where we are about to be physically threatened, where there's someone with a javelin or a spear that's going to cut our entrails out but it's the same feeling we just simulate it in a different way. Yeah, I feel it and, on a day that I don't feel it, I go looking for it.

Andrew: Oh you go looking for it? How do you find it?

Seth: Well, it doesn't mind showing up if you give it the chance. So the question is, can you go tell the truth to someone? Can you be vulnerable with someone? Can you find a way to do something you have never done before? We have created these...

Tim: Okay.

Seth: ...environments.

Tim: So I....

Seth: You interrupted me.

Tim: Yeah, no problem.

Andrew: Sorry, that is Tim Ferriss coming on. I'm just going to lower his mic. He'll come on in a moment.

Tim: Okay.

Seth: So we've created these work environments where we can hide from it and I think that's a shame.

Tim: [??]

Andrew: I see. You're right. Instead of trying to hide that inner monster, I should be looking for ways to encourage it or looking for things that will bring it out...

Tim: [??]

Andrew: ...because if I do that then it means that I am on to something that's really meaningful.

Seth: Yeah, like how many people have the guts to do what you did and to stick with it for 1,000 episodes. That the people around you are naysayers and skeptics and you have done it anyway. Well, that makes you notable. That makes the work you are doing important. It is scarce and because everyone else is afraid to do it. The way we keep this up, and to scale, is to make more of an impact is by finding that feeling again.

Andrew: You know I look back at the first email that I sent you inviting you to do an interview. It was in 2008. You actually said, "Thank you, but I'm too busy. I can't do it." Then I came back and I think I sent you emails, maybe three or four emails afterwards, about other things. Then I finally asked you to do an interview and you finally said yes.

I would like more people to be interviewing their heroes the way that I got to interview you. How do we get

entrepreneurs, how do we get people that we admire, to say yes the way you said yes to me? The way Tim Ferriss, who will be on in a moment, has said yes to doing an interview.

Seth: Yeah, I don't think that that's a good plan. I'm sorry. I don't think Tim or I need a bigger platform. I think we need people like you to have a bigger platform. I didn't agree to come on five years ago because you were persistent. I rarely reward persistence because that just gets me more persistence. I decided to come on because you were being generous and you were leading and you were being original.

This is the new guest blogging. The new guest blogging is start something online and then try to interview Andrew, or Seth, or Tim because then you'll get some of their attention. That's bogus. I mean what we need are people who have something to say on their own as opposed to people who just want to be Charlie Rose.

Andrew: I see. One final question: I do want to make, to be more than just a person online who interviews other people about their ideas. I would like to leave the kind of legacy through ideas that you have left. Through ideas like the kind many of guests we have here have created and left. How do you do that?

Seth: Well don't you see you already have? That's my point. My point is that five years ago no one was doing what you are doing now. Now thousands of people are copying what you are doing now because you did something brave and generous that worked.

Andrew: I see.

Seth: And once a thousand people are doing it, you need to broaden the depth and width of what you are doing to touch more people. Not with more of the same thing but with stuff that makes them think more, that is riskier and scarier. You know I've watched Tim build his career in just that way and I've tried to do the same thing, which is to say, alright that part gives me the right to do the next thing. But if the next thing is just the last thing, no one needs me anymore. The goal of the next thing, it has to be scarier than the last thing or else we have wasted our platform.

Andrew: All right. Thank you so much for coming on here and also for giving me that chance all those years ago. You were the first video interview and at the time you could have said, "I don't know who this Andrew guy is? I don't know what he is getting into? Could this be the next ballywag[SP]?"

Could this be someone setting me up? But you took a shot on me, and I really appreciate it. And as a result I have been able to grow the video interviews and get so many other people who I admire on like you and like Tim and like many of the guests who will be on here. Thank you, Seth.

Seth: It's a privilege. Take care and good luck for the next thousand.

Andrew: Thank you.

Seth: Bye.

Andrew: Our next guest, I'll bring up his mic right now, is Tim Ferriss. Tim Ferriss is an entrepreneur, No. 1 New York Times bestselling author, who is known for his rapid learning techniques. He is known for the book, "The Four Hour Work Week", which so many of the thousand entrepreneurs who I have interviewed here have said has changed their lives and set them on the entrepreneurial path. Of course, Tim's other books include, "Four Hour Body" and "The Four Hour Chef".

Tim, thank you so much for coming on here.

Tim: My pleasure. Thanks for having me. And congrats, thousand's a big number.

Andrew: It really is.

You know, I started out by telling Seth Godin that my heart was pounding, and I really didn't expect it. I feel like this should be old hat for me right now, but I still feel a little insecure. At times I still feel like I don't have it. I told you via email when I invited you on you look like Mr. Confidence to me. You never seem to break a sweat. Is there anything that makes you shake your confidence?

Tim: Oh, absolutely. I think that, here's one example for instance. Before I do any type of public speaking I still feel like I'm going to vomit and I pace like a caged animal before every speaking engagement. But I feel

like I would have to worry more if I weren't nervous before events like that, and it made me feel better to know that even Dean Martin used to vomit before every performance.

Mike Tyson felt very similarly and to think that we can delve into confidence, but I think that as Cus d'Amato, Tyson's trainer, says it's not that the hero and the coward feel different, they feel the same way. It's how they respond to that feeling that makes them different.

So I have self-doubt, I have crazies at meetings all the time and I think that it's important for people who only see the highlight reel, like maybe only watch some of my presentations or they see the Tim Ferriss highlight to realize that it is a rollercoaster and there are those ups and downs and that's just part of the ride that you sign up for in a lot of ways.

Andrew: One of the things you taught me was at South by Southwest in Austin, I had a live interview session and you were on there and I was shaky there, and I asked you what do you do when you screw up. And you said, "I look at what happened, and I try to create a process for avoiding it in the future so that I don't make the same mistake. And if it ever comes up again I know how to deal with it."

Do you have an example of a time where you just lost it, where you said I can't regain, I can't make this work and as a result maybe had to sit back afterwards and figure out what not to do again?

Tim: Oh, all the time. I mean, even this past year, 2013, was very difficult for me because I decided to take a break from writing books so that identity of author kind of went away or I didn't associate with. And I experimented with television and even all the episodes of The Tim Ferriss Experiment are coming out at the end of May on iTunes [??] style. But I'm not sure if I want to continue doing TV.

So I thought that was going to be my new identity and that's kind of gone, maybe, and simultaneously as much as I enjoyed angel investing and being involved with startups like [??] and Twitter, what not, I don't want to be a full time VC. So I have this crisis, this existential dilemma that really shook me pretty hard to my core.

And I think that when that happened to me, my first default and I think a lot of this comes from competitive athletics a long time ago. Athletics were mandatory every season at the High School, is that the easiest way for me to work out my inner game, when I start getting monkey-mind is to work out on my outer game, if that makes sense.

So I embrace motion, go for a long hike, go to the gym, have some type of metric, whether that's stoke count in the pool, whether that's timing the mile, whether that's pounds in the lift, so that you don't have your entire identity invested in one thing. And maybe you've experienced this. A lot of startup founders have their identity vested in the success of the startup and there's things outside your control that can affect that and cause it to fail temporarily.

Interviews, same story. You can have a stretch of a couple of bad interviews, it might not be your fault. And by diversifying your identity, say, with one athletic component, one sort of intellectual component and one professional component, every week can still be a win and you can win that sort of positive momentum to do more things. When I get trapped inside, I go out. That's usually the quickest fix for me.

Andrew: You know what? I remember you telling me that when you came out with the "Four Hour Body" and it reminded me of the importance in my life of running. When I go for long runs, I feel like I can conquer something on my own, without having to depend on an audience to like it or an interviewee to be a part of it or a sponsor to bless it with cash.

But what I found is last week I think I ran maybe half as much as usual, maybe half, maybe three out of seven days, maybe four out of seven days and I find that I minimize the importance of it when work comes into play, because I prioritize work. Isn't that the better way to do things, if work isn't working out, to focus more on that and then to take away from the running or swimming or the external activities?

Well, I think it depends on how you are looking at your schedule. So you can look at your schedule as a finite pie of these three elements, and you have to allocate one that is separate from another. But in my experience at least, the easiest way to address a depression is diet as well as exercise. It's very interestingly called [spurk?] about this exact topic. And the best way to improve cognitive performance is to improve physical performance. Because of course the brain is an organ like any other.

So I find that the most important time to exercise is when you feel like you have no time to exercise. And I

remember something that Russell Simmons said to me once which was, "If you don't have time to meditate for 30 minutes, you need to meditate for three hours." And I think that sense of time scarcity is often an indicator of exactly what we should make time for. Easier said than done, but this is something you have to constantly practice. It's a habit.

And I think that it's not as though you make the decision once and you're done, just like, "Oh, okay. I understand what a good diet looks like, now I don't ever have to think of diet again." That's not how it works. But when you develop a habit and say consume 30 grams of protein and spend 30 minutes of waking up for two weeks, that will become your new default. And once you have that default, you don't have to allocate any [inaudible]. It just becomes like brushing your teeth.

Okay, that makes sense. I'm looking at the list of people who are going to be coming on later today: Jessica Livingstone, if all goes well with the technology. Jessica Livingstone from Y Combinator will be here, Drew Hausten from Dropbox is going to be coming on here. I'm wondering from you, how do you learn from these extraordinary entrepreneurs? I want to try and bring back some of your way of breaking down what successful people. I want to bring that to my interviews so that I can pull out ideas from my audience that they can use the way that you might.

Yeah. I have a set of questions that I intend to ask, and they include what is the biggest mistake that --- make, the biggest waste of time that you'd see entrepreneurs making in the beginning. Or it doesn't have to be entrepreneurs but now this is in any field. It could be bobsledding, it could be everything.

Secondly, if you were to start over again, what would you do, what would you do differently; if you had to choose one or two people to emulate, who would they be and why; if you had say, four to eight weeks to train me for, fill in the blanks, a huge audacious goal, raising ten millions dollars in funding, building a hundred-million-dollar company, whatever it might be, how would you prepare me; I understand it's impossible but if you had ten million dollars of your own money on the line, how would you train me, if you had to.

There's a set of questions like that, many of which seem absurd, like the how-would-you-train-someone-for-an-ultra-marathon-in-eight-weeks type of question, that turn out to be possible if you force someone to answer the question. They have no option but to try to make that work. And that's generally how I approach it.

And if you had to choose say, two or three resources, whether that be a book, a series of lectures, a blog to help someone self-study for X, fill in the blank. You know, soccer, language letting, whatever it might be. What would they be and why? If you had \$500 to spend on X, product development, customer testing, whatever, learning the Van Damme splits, what would you spend it on, and why?

It's really a template of questions, and they're listed in the middle section of the four-hour shift, but I really tend to stick with those questions as a starting point as you know, oftentimes, a single answer will then lead to four or five refining questions. But those are the type of questions that I ask.

And I also look at who they surround themselves with. I look at their peer group, and I know Drew and I had said something similar in the past, which is, You are the average of five people you associate yourself with most. So I find it very fascinating to see how people like Drew Carey, their inner circle, who do they allow to make them-- or to create them. In fact, I find that endlessly fascinating.

Andrew: Speaking of the people they surround themselves with, in our first interview you gave me great advice you said that, "When you try to meet someone you don't go directly to them, you look around and you see whose with that person who everyone else is trying to get to talk to. I'll go get to know that person and through them I might build a connection with the big shot." That's helped me so much in doing interviews.

I think even Drew Hausten who we're talking about I got to know through a friend of his, Jessica Mah, who introduced me to him as opposed to just going directly to him. I wonder when you come up with ideas like this how do you document them and remember them? These ideas come to me, I recognize that I should be going to someone else and asking for an introduction. I write them down, maybe in an Evernote or in a Google doc and then I forget to go back and use them. How do you keep track of this?

Tim: This is a consistent issue. I have, this is one of 50 notebooks that I have. And I also use Evernote and so on. I will calendar them and set reminders. So typically when I start my day, and I have a morning ritual. Because I think it's important to have ritual routine to keep away fear, uncertainty, and doubt.

So in terms of maintaining confidence I think a big part of that is conserving your decision-making only for the things that matter. Like, you shouldn't have to wake up and decide, spend ten minutes figuring out what to have for breakfast. That's a waste of your bandwidth. Where I was going with that is I'll make a list of, sort of, three things I'm grateful for. What I want to be. Sort of the characteristics I want to have that day. You know, this day will be great or exceptional I do the following three things.

And then at the end of the day I'll do another three items of, like, amazing things that happened that day. And it might sound cheesy and New Agey or whatever. I find it extremely, number one therapeutic, and number two, calming and efficient. Very effective. So for all those reasons I really like to scope it out and just write down two or three things.

And very often if it's one of those high-level things that is a force multiplier, like, I want to completely, let's say, launch a podcast with something that I'm thinking of doing, and I will have that travel from one day to the next until I do it. I only have three slots so eventually I'll get that done. Especially if I can keep email and all things like that way for the first two to three hours of the day. Andrew: Would you be able to stay on with me for about five more minutes. It looks like Jessica Livingston's having some trouble getting on.

Tim: Yeah. That's fine. No problem.

Andrew: [??] And Rick, email Jessica and make sure she has a link and see if she has any trouble. And just in case we have several guests coming on. I imagine somebody's computer is going to fry up. Someone's going to have some kind of issue. Would you ask my wife if she would get on the guest list to participate and she'll be, like, our backup?

That way if things don't work out with the guest, we'll have Olivia come on here, and she and I can talk about the old days one when we had, when I couldn't figure this out. Where I was really trying to make it work and we'll see what it was like from her perspective. You know, when I was first dating.

Tim, I used to wait, I said when I succeed, when I really make it is when I will, when I will find someone to be with because that's when I'll earn the right to be with her. And then I realized how silly it was when I heard Richard Branson talk about, read a book about Richard Branson and how he and the woman he was dating at the time used to walk around and fantasize about being able to buy a house.

And about how they were looking forward to that moment in greatness and then I realized, you know what, I should find someone even before Mixergy makes it and let her see me as I struggle. Let's work on it together and make it big. That kind of bonding is priceless. I feel like there's some people who knew you when you were just getting started. Do you remember some of them who knew Tim when Tim wasn't Tim Ferriss, when Tim was trying to make it and trying to figure it out.

Tim: Yeah. Tons of them. I mean I'm friends with, but they, almost all of them still to this day. So that can go back to 2007 when I was just, kind of, scraping along and then trying to get to SXSW and begging and pleading with Hugh Forrest at South by South interactive to give me one slot if somebody dropped out. Or it could go all the way back to college friends and friends from high school.

And I still have an annual reunion of a lot of my closest friends from my childhood and high school and college in the summers. And I just had dinner with a college friend last week. So though, it's important for me to keep in touch with those people for a lot of reasons but certainly also to not believe the hype. If that makes sense? I mean I think that you're never as good or as bad as people say you are. And it's good to have friends around, and I do have some newer friends that are all really good at this, who will call you on your bullshit, and I think that's your point, though.

Finding a companion before you make it, so to speak, I think can be extremely critical for long-term relationship success. And I've been told before that a woman's loyalty is tested when her man has nothing, and a man's loyalty is tested when he has everything. And I think there's a lot of truth to that. So, congratulations. I am envious of you.

Andrew: I actually remember talking to a mutual friend of ours, Ryan Holiday. He said, "Tim Ferriss used to talk to Tucker Max and Ryan before he made it," and you'd ask all these great questions and they wanted to help you out, thinking, "You know what, we're going to help this guy get started." And I always wondered what it was that you said that made them want to help you out?"

Tim: That's a great question. I'd say, number one, I did my homework. So I knew that Tucker, for instance, had done some Brazilian jiu jitsu. I had backgrounds and was then training in Brazilian jiu jitsu, so I viewed

that as a way to differentiate myself, especially at a place like South by Southwest Interactive.

Secondly, I didn't try to impress him. I said, "Look, this is totally out of left field. You have no idea who I am, but I know you've done A, B, C, D, and E. You know, I'd love to buy you a drink and just ask you three or four questions. I'm not going to like, pick your brain for an hour. I know you don't want that, but I have a couple of really specific questions. In exchange maybe I could do blah." You know? But, give them an easy out, I think, is another thing.

And this is really identifying with what Seth said about rarely rewarding persistence because then you're just asking for more of that sort of "slamming a head against the wall" behavior, even if you say no. But you tend to get more bites with a softer sell. So I always give them an easy way out. I'm like, "Hey look, if you don't have time, it's no problem at all, but this is one of three sessions I wanted to come to. I'm happy to you know, maybe I can help you with this, this, and this. I have literally two or three questions." And you'd better have those two or three questions because they may just say, "Look, I don't have time for a coffee or a beer, but shoot. Ask me your three questions." And that can be really valuable. So that's the general approach.

Andrew: Well, thank you for doing this, and really over the years [inaudible] you both have given me advice on how to get guests, and how to connect with people. And also you've introduced me to people, and you've helped me out with big milestone events, including that live one that I've talked to you about. Tim Ferriss, thank you so much.

Tim: Yeah, my pleasure. Thanks for having me on.

Andrew: You bet. Our next guest is Jessica Livingston. She is the co-founder of the seed accelerator Y Combinator, and the author of "Founders at Work", a collection of interviews with entrepreneurs about how they built their companies. Jessica has been an inspiration to me. Jessica, thank you so much for doing this.

Jessica: Oh, thank you for having me, Andrew.

Andrew: Let me bring up your audio just a little bit louder so we can hear you. There we go. Thank you.

Jessica: It's great to be here.

Andrew: I remember living in L.A. reading your book with people who have gone on to build incredible companies since then, including Otis Chandler of Good Reads, John Biskey of [inaudible], and it's so inspiring to see how other entrepreneurs built their companies and I thought if I could do that then I could learn from them and then go build something. Were you able to learn from the entrepreneurs that you interviewed at Founders at Work and use some of it to help the companies at Y Combinator?

Jessica: Oh my gosh, absolutely. I'm still learning to this day, by the way. Whenever someone comes to speak at Y Combinator who's an expert on what they do, I have my notepad out taking notes. So, absolutely, from the people I interviewed at Founders at Work I learned a lot about trends that happen, fundraising, problems, everything that I certainly then used to advise the start-ups we fund, yeah.

Andrew: How do you organize it all, and keep track of it all? I've now gone through 999 interviews, this is my thousandth, and I feel like, as I went back to look at the older interviews, like the one I did with you, with Mike McDermott of FreshBooks, and others, I said "Oh yeah, I learned so much from those interviews, why did I forget it?" How do you get to keep track of everything you're learning so you can actually use it?

Jessica: Oh gosh, it's all swirling around in my head. If you were to quiz me on specific interviews, I might not come up with anything good, but it's more like how often are you talking about these things, how often are you using the information. I'm sure subconsciously you're using some things that you've learned from past interviews whether it's just a technique on how to draw information out of someone better, you just have to keep working with the stuff you learned and I kind of write down things that surprise me and I talk about them with Paul or with other founders. I say hey, can you believe he said that? That was really interesting.

Andrew: Paul Graham of Y Combinator was one of my early interviewees, and I remember asking him how do you help entrepreneurs discover their ideas when they themselves can't figure out what their big idea should be and he said that it was a gift, that he was worried that it would go away and when you heard him say that you laugh because you'd say it's never going away.

The interesting thing is that as far as I can tell it hasn't. The companies that Y Combinator is helping to launch are just getting better and better but it's now no longer Paul and the small team that started that are

helping these entrepreneurs come up with their ideas.

How do you systemize the process of helping entrepreneurs figure out what their big ideas should be so that they can go and take off?

Jessica: Well, it's hard to systemize the process of having ideas except for like when we had office hours with the startups and we forced them almost to say is your idea working? What results have you gotten? Because it's very easy for founders to kind of be in denial. They think they're married to an idea and they might not thin, well gosh, this isn't something that people seem to want.

So the process we use is a lot of office hours and a lot of really smart partners at Y Combinator say is this working? Have you thought of this? What have you done here? And sort of forcing, pulling ideas out from them if you will.

Andrew: And just by asking is this working you're forcing them to confront the big question that they might not pay attention to because they're so into the idea that they've come up with.

Jessica: I think so. You wouldn't believe how married founders get to their idea, and it's easy to go into denial on whether people actually use it because like that's the proof, right? If no one is coming back to your site then there's something wrong and you need to adjust it slightly or change entirely.

Andrew: One of the things that I did since our first interview was I got pre-interviewers to come in and help me and I showed them the process that I go through to uncover stories and to tell a story through an interview and that's really helped me grow beyond the few people who I was able to pre-interview and interview.

You've guys have grown so much at Y Combinator. Do you have systems like that that allow you to grow beyond where you were when it was just a small team?

Jessica: Oh, gosh, we have a lot of systems in place. We have a lot of software that helps us share information and keep track of things so that we're not saying the same thing over and over or doing the same thing. We keep track of, when I do office hours with the group, I'll put my notes in the system so that the next partner that meets with a startup can view my notes. We didn't use to have that. It used to be all in our heads.

What other system? Let's see. We've written a lot of stuff that we share with the new batches because again a lot of times we're giving the same advice over and over about how to do things or this is what you should expect and so by writing it all and sharing it saves us a lot of time too.

Andrew: Paul Graham's taking a step back from Y Combinator. He's not moderating and developing on Hacker News. He's got Sam now leading Y Combinator.

Are you going to be taking a step back too?

Jessica: No, I'm not. Nope. A lot of people ask me that even though my name was not in the announcement as taking a step back. But no, I'm just as engaged as I've always been and in fact with Sam on board doing a lot of the administrative things that I used to do, I'm excited to do more outreach and a lot more work with the alumni and specially more work with the startups.

Andrew: I'm going to have Drew Hausten come on from Dropbox. I'm trying to formulate the right question to really get in his head and understand why Drew made it when all these companies seem to be attacking him, when every week on his own community site on Hack News, people are saying well, look out for Drop Box, it means that they're going to go away or that they're going to reduce their prices to a point where it doesn't make I don't know what all these worries are. He doesn't seem to have it.

What question can I ask him to really understand what makes Drew Drew?

Jessica: Boy, that is a very good stump-- that is a good question. What would I ask him?

Andrew: What do you thing makes him so successful. What do you think makes him the guy who can withstand so much-- I don't want to say competition, but, so many other people getting into similar space?

Jessica: Well, if you're going to be a successful founder, and, have a company as successful as Drop Box

you're, of course, going to be ready for competition. I think the defining characteristic is that you have to have focus. You have to have focus on your products, and, your users. If you get distracted, and, pulled in different directions because you're responding to naysayers, or dealing with competition your products going to suffer.

I think one thing that makes, Drew, Drew, that he has always just been bound to this idea. He's just devoted to his users, and, making it better, and, better. Now, he's running a pretty big company, and, he has a great team there. They're so, focused on the product.

Andrew: All right. Well, I'm going to find out about his focus in the interview with him. I want to be . . . [??] . . .

Jessica: You know what I'm going to do, Andrew? I'm going to think about this, and, I'm going to email you before you're interview with him, a question.

Andrew: I would love it.

Jessica: Okay.

Andrew: I want to before you go just say thank you one more time. I thanked you privately. I want to thank you publicly not just for the help that you've given me here at Mixergy, but, frankly, you, Paul Graham, the Y Combinator community, the Hacker News community.

I remember when I first posted these interviews, and, people went on Hacker News, and, said, is this guy for real, or, is this -- I don't know what. Paul Graham wrote a comment. I forget the exact comment, but, it was basically, give this guy a chance. As a result, the community gave me a chance, and my early burst of traffic came from you guys. I never forgot that.

Every time I wanted to get the jerky kind of questions, the gotcha questions, I thought, no. I'm here to serve this community that helped me get started. If I focus on that the interviews will get better, and, I'll draw more people like, Jessica, to me, and, they'll respect it. It's been so worthwhile. Thank you so much, Jessica.

Jessica: Oh, Andrew. Thank you so much. Congratulations on 1,000 interviews, and, hanging in there, and, just delivering such amazing information to the startup world.

Andrew: Thank you so much. Thanks, Jessica.

Jessica: All right. Bye.

Andrew: Bye. Our next guest is one who, actually, has been more open than me, more open than maybe all my other guests combined. His name is, James Altucher. James is a successful entrepreneur, chess master, investor, and writer [inaudible] I'm sorry. [inaudible]. Oh, that is, Mike McDerment, who will be bringing [inaudible] in a moment.

Mike: Hello.

Andrew: Oh, hey, Mike. There he is. I'm going to bring on, James, here first. James, welcome to Mixergy. Thanks for doing this.

James: Andrew, thanks for having me on for an auspicious occasion.

Andrew: Last time you were on we weren't even sure if the openness that you were about bring to the interview we should allow. You were going to say, not only that you wanted to kill yourself, but, the method that you were going to use to do it. I think that when I'm open . . .

James: Let's get right into it, Andrew.

Andrew: Sorry.

James: Let's get right into it . . . [??] . . .

Andrew: Let's get right into it. Do you ever regret this stuff? Do you go why am I saying this stuff? I don't need to say this.

James: No, I never regret. I never regret anything. That was the hardest thing to learn was not regret things because if you spend-- you have only so much energy per day. So if you spend that energy hanging out in the past regretting, or, hanging out in the future you don't have that energy for right now.

For this moment I'm here with you. I wouldn't have any energy if I was busy regretting, or, wondering am I going to regret this later, or, whatever. -- Oh. Oh, I think Andrew's coming back.

Andrew: Sorry about that, James.

James: Oh, no problem.

Andrew: All right. We're back. Good. I was a little worried there. So, you were saying that you focus on the moment.

James: Yeah, I don't consciously say to myself oh, I need to be fully present right now, right. What I do instead of focusing on the moment I avoid the extremes. I void to much regretting about the past, or, being anxious about the future, two activities that are very easy to slip into.

Andrew: Can you hit play on that recording, make sure that we're recording it? Thanks, Henry.

I know what you mean, but James I can't control it sometimes. I might say something really open about my insecurities on Mixergy and then I go back home and I fall asleep and I think I'm good and in the middle of the night I wake up and I think why did you say that damn thing? Why did you say that you feel insecure? People want an interviewer people want to learn from someone who has it together and you just keep bringing that down and tearing it apart. Why did you say it?

But the next day I'm inhibited because of it.

James: What you're trying to do is improve. Like, you're doing a thousand interviews now. You're a master interviewer. You're putting in your 10,000 hours of interviewing and you're going to be the best in the world at this. So of course, you're going to analyze what you've done. I do analyze my mistakes but I do that so I can be better right now, not so that I can say why did I do that. That's the danger. You don't want to slip into the why did I do that, you can say how can I be better right now when you hear yourself slipping into that.

And so that's a matter of practice.

Andrew: And how do you practice to be able to focus on what can I do better today?

James: Well, it's a matter of constantly trying to label what you're doing. So if I'm an entrepreneur, if I spend too much time regretting about something in the past, I'm not going to be able to close this sale I'm in right now. And that's happened to me so you with a gun to your head you kind of have to say ok, I need to not regret, I need to learn from this so that I don't make this mistake again. And I've had huge, huge mistakes that I've learned from or else everything will go up in flames and everything often did.

Andrew: You know, one of the things that you might notice if you were to go back and look at the thousand interviews is that there's these thing that keep coming up in the interview. In my early days, my themes were about how do I get traffic. That's why I had Seth Godin and I said, "Seth, you want me to build me a tribe. I can't get two people to watch my interviews. What do I do?"

And so he and others showed me how to build up a community. Mike McDerment, who's going to be on a moment, you can go back and see the them there which is how do you charge for something online because I was doing all these interviews for free and it was costing me time, it was costing me money to hire an editor and I was just going nuts and I said let me bring Mike on and learn from him. And it's been so helpful to turn to people who I admire so much and get them to help me and then through it an audience of other people who wanted to learn were able to learn from the interviews.

I'm doing this. I saw you start doing interviews and then I realized you stopped. I was hoping you'd follow in my footsteps, I was hoping that I could at least help you do these interviews and help you become one of multiple people who are going to go out there and learn from what I've done and built on it.

Why did you stop?

James: Oh, no. I've been ongoing. My podcast is on iTunes and a couple of other places and it's been more

or less ongoing depending on what platform are you using to find on so I just this past Friday I had Dan Harris on. He's the anchor of Nightline and he just wrote a book 10% happier. And then coming up I have Austin Cleon, Arianna Huffington, a bunch of fun people.

So I'm learning from you.

Andrew: You can come on and do an interview with you, not text?

James: Yes, an interview.

Andrew: Wow.

James: I had Wayne [??] so I have a mix from entrepreneurs, people like Arianna or Wayne Dyer who sold 100 million copies of his personal [??].

Andrew: [??] my podcast feed for you isn't working and I'm going to go check it out.

Do you do what I do? Do you say to yourself in the morning what do I need to learn here today? How do I get better? And then if I'm going to interview these people let's ask them questions to get some help from them

James: I do and you know what? It's interesting that you say that. So your creative outlet is this podcast and for me mostly it's been writing and for me I tend to write what I want to learn. So I write a book for instance [??] yourself. That's because for me I had to learn very much how to avoid letting the system chose me.

So I kept wanting to be chosen by clients or investors or publishers or acquirers or TV networks or whatever. I had to learn how to choose myself and so that's why I wrote it and you know, you mention how you wanted to learn something. It's not that you're having Seth Godin on just to have Seth Godin on. You actually wanted to learn, you actually wanted to learn from him.

So it was your own interest in things that you wanted to learn that drove your creativity which I think it's the most valuable kind.

Andrew: I see. I always feel like a fraud if I'm gong to write a book on something as a way of learning but I guess through the process of writing you learn it.

James: Yes, there was no other way to write actually because then your bringing up the snake from inside and bringing it out and, you know, taming it. So it's very important actually that you're personally involved with the material that you're writing. Also it's too distant and people can't relate and you can't compete.

So when I'm open in my writing it's because I needed to learn how to be more open instead of behind a disguise. Too often when you're an entrepreneur you're always thinking, well, what do I need to look like or what mask or disguise do I need to wear to sell this client or this investor, and being open is often the key to success. Being honest, being open, avoiding any kind of dishonesty.

Andrew: Yep, you know what, I have found that, too, with the interviews, that if I go back and look at the interviews where I was being open about what I needed, what I was trying to learn, those are the ones that are most useful, like the one that I did with Mike McDerment. I'm looking forward to having him on here, but before I do, let me just say thank you to you, James.

One of the reasons why I wanted to have you back on here is not just becomes you are one of a thousand guests, but because you are one of the most meaningful guests because you got so open, because you were so genuine. For an interviewer like me, it's hard to get entrepreneurs to be open. It's hard to get them to not just give the PR speech and I always appreciated you as a guest because you went beyond that and got into yourself. Thank you so much.

James: Thanks, Andrew, and congratulations on number 1000. Hopefully, I'll be in between 1000 and 2000 as well.

Andrew: I would love to have you back on. Thank you, James.

James: Thanks. Enjoy.

Andrew: All right, our next guest is Mike McDerment. Mike, actually, I'll give the formal introduction, and then I want to add a little something. Mike McDerment is the co-founder of FreshBooks. Let's bring him up on the screen, which offers simple time tracking and invoicing services. He was also Mixergy's first sponsor.

Mike, welcome back. Let me get your audio...let me pump it up a little bit more actually. How do we do that? There we go.

Mike: I've got a set of headphones here if those work better.

Andrew: No, you're fine without the headphones.

Mike: Okay, cool.

Andrew: Thanks for coming back on here.

Mike: Hey, my pleasure. Great to be in touch again.

Andrew: I remember actually interviewing you, trying to figure out revenue and asking you about revenue, and you said that you could think of yourself as a crayon which basically is fun and adds value or you can think of yourself as an aspirin which cures customer's pain. We at FreshBooks think of ourselves as a crayon. Do you still think of yourself...excuse me, as an aspirin, involve headaches.

Mike: As aspirin, yeah. Basically, doing your accounting as a small business owner is a pain that comes around regularly and you can take an aspirin, make that pain go away, then it comes back a month later. We still think of ourselves as very much as aspirin and we just hope to help save people time and make the pain go away. [laughs]

Andrew: The thing is though, that crayons is what people talk about most. People talk about Instagram. They talk about the fun new app that allows them to share secrets so much more. Do you ever feel like, why not me? I have a real business. We're growing. We have real customers. Why does no one seem to care about business companies, about aspirins?

Mike: Well, it's funny. I guess I see this a little differently and I think this is why I believe small business owners have been so misunderstood over the years. You go talk to a small business owner about something that saves them time, an average returning back, like a half-day a month to people through productivity, they will talk about this like it's a crayon because productivity and time is the only thing you have.

So yeah, it may not be the sexiest thing in the world, but I'll tell you shifting your bills in every month to your clients and getting paid, that's not all bad. And if you can save time doing it, it's good. We've had good over the years, people have been more than happy. Word of mouth is still the biggest driver of the business and that's very exciting to me.

Andrew: One of the things I asked you in the first interview was when you were going through your rough patch what did you do and how did you keep going and you said, well, when there wasn't revenue and there wasn't profits that were going to keep me excited, it was the thank-you notes that we got from people. It just meant so much to know that someone out there at least loved it enough to use it. You've grown so much since then, have you had any low moments since then? What's the lowest? I see you nodding.

Mike: Oh, I mean, sure. It's a little bit like if I'm not kind of running at the edge of things, I'm actually... I'm not very happy anyway so I don't mind being kind of on the edge, but sometimes - -

Andrew: Another person, Seth Godin said the same thing. He says unless he feels that inside resistance or the lizard brain acting up it means he's not doing anything worth doing. What's an example of a time where it happened to you where you said maybe it's just not working here?

Mike: It comes in all shapes and sizes. Sometimes it's like a low point could be you take too much on and get yourself into trouble. I'm trying to think of... sorry, if you put a finer point on that question because I thought I was headed in one direction and then it seemed to change a little.

Andrew: No, what was the direction you were heading in?

Mike: Well, I'm just thinking of times where me personally, I feel like maybe I'm out of step and not

necessarily at my best. Or, maybe I'm overwhelmed. I think the sky is going to fall because all the pieces are going to go sideways.

I got myself into a place where at one point I was running around. We were a hundred people. I just had way too much sort of involvement in many parts of the business. That's kind of a learning... It's like, oh my God, everything is dependent in one way or another on sort of crossing my desk, any kind of decision.

That's not a good thing. How do you get yourself out of there? God, how long's it going to take? Because I was okay for a while, and now I'm completely overwhelmed. The only path forward is to have more decisions happen. How do you manage yourself out of that place? The answer is you go and build a team.

Andrew: You go and build a team.

Mike: We had a great team with us, but it's a different kind of team that I needed at that point to take FreshBooks to the next stage.

Andrew: Okay. One of the things that we talk about in Mixergy interviews is how to get your first revenue, your first sponsor, the first company that's going to believe in you enough to put in some money. You guys have become many people's first sponsor. How do you decide who to sponsor, who to invest your advertising dollars in?

Mike: I feel like I could be giving away some secret sauce here, Andrew.

Andrew: Oh, good. That's what makes our interview [Inaudible]

Mike: I think part of it is you kind of know it when you see it. I remember speaking with you. It's kind of a no brainer. I believe in what you're doing.

There's a guy up here... We're based in Toronto. There's a guy who... That's in Canada. He started a podcast called Canadaland, a media guy. We chose to sponsor his podcast when he was getting going because I bumped into him in other worlds. I just wanted to see the project come to life. I believed in him and the community that he had sort of around him.

I think these are some of the things. Like, if you haven't necessarily done anything before, there's no traction or momentum, it's kind of hard. But, if you have a really solid interaction you can see the work ethic.

I'll never forget yours. You're always hustling, still hustling, waking up every day how can I make it better. Those are the things I look for personally, and so do we. Those are those entrepreneurial characteristics that are going to... I don't know when it's going to blow up or become really successful, but I know it's going to. Because you're not going to quit until it does. Yeah, those are some of the things we look for.

Andrew: I remember that first ad that I did for you. I couldn't do it by myself because I still didn't feel comfortable. I didn't feel comfortable just speaking to the camera by myself. I had my wife come on with me. I said will you just give me someone to interact with. She came on. Since then, I've obviously gotten more and more comfortable coming on camera and doing it.

Mike: I was going to say ironically that's almost one of the things to look for. I think people who are... I think it's important to know your value. I'd hate to think you didn't feel as valuable as maybe you should have. That's not what you said. Don't get me wrong...

Andrew: No. It was more about just I for years had built my previous company in quiet, in hiding. Just talking publicly was uncomfortable. Being the person who would just go on camera and speak to the camera was just such an artificial thing to do that I didn't feel right doing it.

I brought Olivia on. At the time we did the ads together, and I think that it made for a more interesting ad. And, as a result I got more comfortable and more comfortable.

I really always appreciated you guys for just giving me the shot and saying hey, you know what, Andrew. Do whatever you want. Let's see where it goes. We trust you enough...

Mike: Yeah.

Andrew: ...to bring your wife on, to bring whoever you want. Just go for it.

Mike: We did, and we do.

Andrew: Thank you, thank you so much for being the first sponsor. And, I also, of course, use FreshBooks to bill my own sponsors today.

Mike: Thank you, sir.

Andrew: I appreciate it. Because you know what? It's very tough to remember to send out an invoice every month. I just have you guys on recurring billing, and it goes out. And, if someone forgets to pay, you guys will go and nag them and I don't feel like I have to do it. You'll send an email saying hey, remember, you owe Andrew some money.

I really appreciate you for creating the software and also for being my first sponsor here on Mixergy. Thank you, Mike.

Mike: Thank you, Andrew. Very proud to have been part of the franchise you're building here. Congratulations on everything to date.

Andrew: Thank you. Our next guest is a guy who's become a really good friend of mine. His name is Gagan Biyani. Gagan is the co-founder of Udemy which is how I first connected with him.

He is now working on a new startup called Sprig. Sprig delivers fresh dinners to your home. So many people here in San Francisco told me about how that's the answer to getting food.

And I appreciate you coming on here and doing this interview with me. Thanks, Gagan.

Gagan: Yeah, thanks for having me, Andrew. Really excited to be here. Congratulations on interview 1,000.

Andrew: Thank you. You know, one of the cool things about you was I remember a few years ago before you even did the interview, putting a post up on the site saying, "If Mixergy delivered any value to you, would you please give me a report card, tell me what kind of value and how helpful it was?" And I remember seeing your comment in there and thinking, "All right, this is not just some guy. This is Gagan! He's using Mixergy somehow."

That meant so much to me, like I was on the right track. Before we get into you as an entrepreneur, you were just a listener of Mixergy. What do you use that's so useful?

Gagan: When I was starting out my career, I think one of the amazing things right now about starting a company is that there's this huge treasure trove of information on the Internet that can help you answer a lot of basic questions. And so, I used to do it, and I don't have much time any more to do this, but I used to basically spend every time I was eating food - breakfast, lunch and dinner - watching videos online of successful entrepreneurs talking about various challenges that they had and what they did to build their business.

I would also spend some of that time reading on my novel, that's generally now relegated to my smartphone. But, yeah, so I watched Mixergy interviews while eating lunch, just sort of be semi-productive, but at the same time get that sort of daily education. And then if there's a specific company that I'm looking at or I really think it's exciting, then I try to do more research on and they have a Mixergy interview that I'll often watch that interview as well.

Andrew: So then you went out, and you built Udemy, and so many people have told me that they don't think that college is going to survive for a long time because of Udemy and similar sites but largely Udemy, and I thought, the guy made it! And then you went and you took essentially a job at Lyft. You talked openly here over scotch about what you were going through at the time. Can you say-- can you tell my audience about that? Because we thought, you were super-rich, you had enough cash at that point to go and buy all the cars that you want and the houses here in San Francisco?

Gagan: I would say that being wealthy is never been part of the goal, it just now comes-- It is a good measuring stick, so I look at it that way but I don't really care about it. No, I mean, I was hungry. I took about six months off, and I was hungry to get back in the game, and yet at the same time I wasn't completely right to go and figure out exactly what type of leader I wanted to be at the next company, and I had an idea that I was super passionate about.

So when I saw ride-sharing and I actually saw ride-sharing as a user, so I did not see it the way that some people did, via Tech Crunch and via all of the buzz. I actually had no idea that these companies had raised any money when I first heard of them. I just looked at it and started using the product and loved it. So I reached out to the founders and said, "Hey, do you have a role that would fit for me?"

So I reached out to both Sidecar and Lyft, and eventually I happened to notice that it owned by Zimride, I was like, "Oh, I know the guys at Zimride." And so John and Logan were kind enough to bring me onboard to be a consultant there for six months. And while there, I learned and completely changed my views on marketing and customer acquisition and building companies, so much so that when we started Sprig I think it has a completely different philosophy than [inaudible]

Andrew: What did you learn about getting customers?

Gagan: Well, I just learned the second half of the point of customer acquisition, I mean I think I came into Lyft with a better understanding other than the one person, the one director of marketing there, but other than that, compared with everyone else, I thought I got an amazing understanding of customer acquisition from a brass knuckle perspective, like -- acquisition, email marketing, viral acquisition, all this sort of traditional growth [inaudible] types of marketing. But I had never thought about brand, and I had never thought about product.

And one of the things about global marketing is you have this incredibly tight-knit network of potential customers and then let the customers see each other every day. And Sprig customers see each other every day and they eat dinner together, and that's a huge marketing activity, and so we'll we've done it.

Sprig is focused on brand. It's focused on building value and delivering that to the customer so that they love us. And every additional thing that we do is actually driven by how much our customers will love us, more than it is by like how much money it cost to do X thing and how much we're trying to get off of--

Andrew: What do you mean? With Sprig, I tend to think of Sprig as something that I might use to buy food for myself at home if I wanted a healthy dinner, maybe my wife or a couple of-- actually, maybe just me and my wife. How does it get to a couple of my friends? Do people buy dinner, have it delivered, and then share it with friends?

Gagan: Yes. You mean that how do your friends hear about it or how do...

Andrew: Yeah.

Gagan: Yeah. Yeah, I mean one of the most common ways that people hear about it is, honestly, we've delivered an experience that I think many people find to be quite magical. And by delivering that experience, they're just prone to share with everyone. They're just, like, oh my God, I had Sprig last night. It's awesome. You know talking about dinner, and we were talking about your meals or what you're doing tonight for dinner is a common conversation to have. So that's one thing.

But then the second thing is, of course, dinner is a social experience. If I'm having two friends over and we're hanging out having drinks, or having Scotch at your place, maybe having food alongside it is a common occurrence. Right? You order Chinese together, or Thai food or [??]. Whatever. And Sprig has become viral in a lot of ways because of that.

Andrew: You know, I'm realizing that, passing a note to Anne Marie to check in on Noah, who is here and ready to come on for the next interview, and then he disappeared for a moment. I want to make sure everything's okay with him. You know, I was realizing, Gagan, that I was really holding back. One of my earlier questions about where you were when you were working at List. What I was trying to get at was you had shares in a successful company, but you weren't cash rich at the time which I feel is an issue that many people around here have. Right?

Gagan: Totally. Yeah.

Andrew: That's where you were and so how do you get along, how do you feel when you're in an environment here where so many people seem to have made it and [??] hadn't sold out yet. And your next thing hadn't even started.

Gagan: I don't know that that every bothered me beyond, it's kind of a weird question because it presumes

some kind of internal angst that I just never really had. I mean, to me, the angst was around whether or not YouTube is going to get to the goals that I have for it. Right. I expected to do what you talked about, which is if it can change the way that education works for millions of people.

I think it's already provided an impact but there's not a fundamental see change yet where people are not going to college and start YouTube or these types of tools. I think that still in its nascency. And so if YouTube actually accomplishes that goal, that's where my angst is, whether or not we accomplish that goal. I have friends who make millions of dollars a year off of their own businesses, and I have friends who make very little money. And that's not really that important to me. I think what's important is impact. And so it doesn't really affect me very much.

Andrew: I'm going to have Noah Kagan on here if everything works out. Oh, good. He is coming back up. I see him on here. You know Noah as a great marketer. If there's one thing that you can learn from him, what would it be?

Gagan: Well, I have a lot of questions for Noah. He's really good. I would want to know how he comes up with his more creative marketing ideas. The sort of creativity around the market is fascinating to me, and how do you come up with things like Sumo Jerky. What the **** is that, really. Right. And sort of the marketing copy that he comes up with on a daily basis. I'd be super interested in the, I'm not talking about the tactics. Right. I'm actually not interested in, hey, I like . . .

Andrew: You know what actually, Gagan, tell you what. Let me do a quick intro for him. I know we've got you for three more minutes. Let's bring him into this conversation, and then I'll do a one-on-one with Noah. But first, I'll introduce him. Noah Kagan is the chief sumo at Appsumo, a daily deal, excuse me, not a daily deal website anymore. It's a deal website. Actually, Noah, I don't even like this intro.

Noah: Who wrote that?

Andrew: Here's what I got. Before that, he was a cubicle monkey at Intel. Number 30 at Facebook. Number four at Mint. But the company that now I know you for is the one that helps entrepreneurs start their businesses. What is that one called?

Noah: Well, appsumo.com is the main thing which is a free newsletter for helping entrepreneurs kick ass.

Andrew: Okay. All right. There you go. Let's bring Gagan on real quick because I know I only have a couple of more minutes with him. Gagan. Well, Gagan's on. Noah's on too now.

Andrew: Yes, Gagan. What was your question for Noah? I want to see if I can have your perspective on this interview with him.

Gagan: Yeah, so Noah, when you have a specific creative challenge that you're trying to deal with, how do you get yourself in the zone, or get yourself mentally prepared? Do you go on long walks, do you have a team, do you go drinking with your friends? What's your routine to get yourself in the zone to come up with those sort of ideas? Where do they come from?

Noah: Yeah, Ecstasy, Acid, you got to do a little Coke. I think Coke's big in San Francisco now, right?

Gagan: That's what I hear.

Noah: One quick side thought I want to say to Andrew, and, I think, a lot of the people who are watching. Appsumo and YouTube used to work together really closely, and then it got a little competitive at some point. And I started hating Gagan. Like I really hated this guy. This is the guy you guys are all watching. I don't know if it's on me, but I definitely hated him, and I had a chance to have dinner with him, maybe about six months or a year ago.

And it really taught me a valuable lesson, where, this valley is small. The Internet is, surprisingly, connected. And it's really stupid to go judge people, without really knowing them. And so, I actually really respect him. And it was really interesting to listen to your story, when we were here, and also, with Andrew.

So, I will say, you never know if you're going to work with someone again. So try not to be as much of an asshole as possible.

Andrew: [laughs]

Noah: The thing with creativity, I've always been jealous of people who are painters or artists or photographers. I just snap my camera, and I'm, like, "Mm." Like, someone pooping. But everyone else looks really great. I'd say my creativity, it comes at random times. And I try not to force it. So, it can be in the gym. It could be just walking around. It could be in the shower, masturbating.

Let me give you a quick example. I think, when you know it's there, it's there. So, we're doing a [??] retreat, and I wanted to get gifts. And so, I was, like, "Oh, let's get wine bottles for everyone." And I got to my network, and I said, "Hey guys, what do you think of wine bottles?" And a guy who I trust, and who's always giving good feedback, Anton, who's on our team, said, "Hey, that's really lame. That's really boring of you." And I was, like, "Yeah, wine bottles is really boring of me. That's what normal people would do."

And I was, like, "All right. Let's not force it." And I think, when things come to you naturally, and you're, like, "That's the moment." And I think there's a balance. You force it, sometimes. You're like, "I got to get this done." And other times, it comes. And so, I thought about it more. And I was watching OutKast. You know that song, "Hey ya!"?

Andrew: Yeah.

Noah: Remember that song?

Gagan: Yeah, sure.

Andrew: Yep.

Noah: So, I'm watching OutKast's "Hey Ya!" And all of a sudden, I realized, "We should buy everyone GoPro's. And everyone films each other, during the week. And at the end of the week, we make this cool compilation video." Right? So everyone walks home with the GoPro. We have a cool video to show. And that's a lot more interesting, than just giving wine bottles. So, it's one of those things where I just didn't force it. And when I knew it was the right thing, I jumped on it.

Andrew: Okay. [??], I know you've got to run. Thank you. I'm going to ask a follow-up question, based on what you said earlier. Thanks for being a part of this.

Gagan: Sounds good. Thanks. And I see a lot of friendly place. So, thanks for doing this, Andrew.

Andrew: Yeah, I got a lot of really good people coming up.

Gagan: All right. Bye.

Andrew: Bye.

Noah: Later, [??].

Andrew: Noah, how did you come up with the idea for Sumo Jerky? The company that you came up with, is an experiment to show that your ideas for validating business ideas, and growing them, actually do work. How did you come up with that idea?

Noah: The original idea was, like, "Hey, people all want to talk about starting businesses. Let me, exactly, show you how to do it." So, with AppSumo, we e-mailed everyone, and said, "You guys can choose which business I'll start." And the three options were: lemonade, salsa and jerky. And I could've been fine starting with either three of those.

But I think one of the things that I've really took to heart this past, probably 18 months, especially since we started the Monthly 1K Course, is doing things that I enjoy. And so, I eat jerky, almost every day.

Andrew: Mm-hmm.

Noah: And it's something that I have a lot of knowledge about. I know what the costs are. I know what the different brands are. I was talking to this nail salon girl, yesterday, I got a pedicure.

Andrew: You're going to show us your toes? Let's see.

Noah: Can you see them?

Andrew: Oh, yeah.

Noah: Yeah.

Andrew: Boom.

Noah: And so, I was getting a pedicure. It's really great to get pedicures. It makes me happy, when I walk around. And she's super fit. Really tight body. And I was, like, "Oh. What do you really want to be doing?" Because she's, like, "I don't want to be here." And she really wanted to be helping people get fit, but she was really afraid to ask people. And, I think, what I realized, is that, when you're doing something, like, jerky, which I love doing, and I love eating, and I love sharing, it makes it much easier to succeed as a business. And so, you're . . .

Andrew: [???

Noah: . . . recognize -- what's that?

Andrew: You happened to e-mail me, and say, "Andrew, I think you should check out my new jerky."

Noah: I did email you. And you did buy it.

Andrew: And I jumped on it. I love, not beef jerky, fish jerky.

Noah: You were the only one who got custom jerky, too.

Andrew: [laughs] Thanks. Here's something else I wanted to talk to you about. I apologized to you, privately, a few years ago. I want to apologize to you, publicly. Bring this out, publicly. And then, ask you a follow-up question about it. I remember, we were both heading towards the bathroom, in Washington, D.C. And I said, "You know, Noah? When you did one of the first courses on Mixergy, for AppSumo, I was upset." After it was published, I said, "It was kind of an MVP. And we just threw anything out. And I loved my audience. And I should've created something better."

Anyway, at the time, I was upset with you, for pushing me to do it. And then, later on, in the way to the bathroom, I apologized. Because I realized that that was a good start. But I still want to talk to you, about this idea of just launching anything. Even if it's just on a GoDaddy website. And putting your credibility, out there, on the line. And it could potentially be ridiculous. It could potentially fail.

You don't want to give your customers something ridiculous. You don't want to fail. How do you deal with that?

Noah: I think two things. I went to the gym last Wednesday with my trainer, Garrett, and he is such a dick. Like, every Wednesday he brings me as much pain as possible. He made me do one hundred lunges. I told him I didn't think I could do it. He told me yes I could. I think when you know that someone else can do it, it will help you grow. It will help you accomplish it. That's one part of it.

The second thing is not everything works. I will give you a very specific example. I try to get people to buy custom art taco posters. I went out to my network of about five people, and told them I knew they loved tacos. I asked them if they would buy my taco posters, and that I had a man named Will Bryant to design them. No one bought it, even though these people are my friends; people that love me.

I think when people say their friends and family will be embarrassed, Either they're offering the wrong thing or they're not your real friends. Maybe get a better family. I know from my friends, they're always getting my back; at least the ones that matter to me. And those are the ones I'll try and count on. So when the taco posters didn't work, I actually went back to them and offered taco t-shirts. Now it's actually getting manufactured.

The point is it's great when things don't work out. I think about this all the time; like when I get a ticket or when my food isn't the way I want it. Or when someone is mean to me and hurts my feelings. I try to think about what I can learn from this and apply to the next time. That's the main thing, not that it fails, but next time.

Andrew: Don't you ever feel like you're starting to get this big reputation; people are respecting the work I do. If I create a jerky site on a quick GoDaddy domain, then they may not respect me anymore. They may not see me as one of the people who helped create Facebook.

Noah: It's really interesting. About a month ago I was talking to Anton. He's the guy that writes a lot of the apps and emails. I asked him, "Why do we give a shit to spend two days to three days and cost maybe five thousand dollars to write an email?" We argue. We're bros.

We do the things that represent the way we want to be and the way we want to be portrayed. That's what it really comes down to for each person. It's not about being super ghetto and being hood or putting out things that embarrass myself. It's about putting things out that I can stand behind. This is something that represents me and I'm comfortable with that.

Andrew: Even if it's a little bit off-beat, like toes that are blue in a business interview?

Noah: Toes that are blue make me so happy. I really think that everyone should go out and try to get a pedicure and see how it feels.

Andrew: Why does it make you happy? And what is with the Pac Man you once had shaved in, what is it about that?

Noah: I have a few thoughts about other things.

Andrew: Okay.

Noah: I think for myself. Maybe it's the youngest child syndrome where we want a little bit more attention. Everyone goes out and gets a haircut. I think about this in terms of business as well. If we're all doing the same exact things, how do you expect to stand out? I am single now, and it makes me think as well as dating, business and other things. My hair looks like shit. A lot of people's hair looks like shit. It's actually one of the things I'm self-conscious about. I have a haircut just like yours. You look the same, like every other bearded person in Yosemite or in Marin Valley.

Point being, if you put some lines in your head; one, it kind of makes me happy. And two, it differentiates me. So when I go out and I have my nails painted, it's not that I'm super trying to peacock. One, it makes it funny. I can't tell you how many people have come up to me, guys, girls and gay people, and tell me they love my nails. This is what someone taught me: If you ever wear clothing that gets attention, try to wear more of that type of clothing.

Or, whatever type of attention you want to be getting. If you go out and someone compliments your jacket, then you should probably go buy more jackets. It's the same thing with marketing a business. If you do an ad, a blog post or a guest post, and it works you should figure out exactly what's working and do more of that.

Andrew: You were saying that you actually came in prepared. You put down some notes?

Noah: I had a few things I just wanted to share. Is that cool?

Andrew: Yeah, I appreciate that you put in that kind of work.

Noah: I just want to share two apps that I love. Glympse.

Andrew: What's that?

Noah: Glympse is awesome. When I'm driving somewhere, or going somewhere, I send someone a Glympse and they can see where I am and when I'm supposed to be there. Instead of telling them I will be there in ten minutes, I just send them a Glympse, and then they know when I come.

Andrew: Okay.

Noah: And I really enjoy my fitness pal. I use it...I've been using it for the past two weeks and I've really been getting into exercising overall. So I'd say my fitness pal, it's just been interesting to see, like it's made me much more aware of what I'm putting into my body. Both are totally free. And the last thing that I think that's interesting for your audience and I've just really been thinking about a lot of different aspects of my life is,

how do you reverse engineer what's already working?

Andrew: What do you mean?

Noah: So what that specifically means is that like I was looking at starting up a podcast, so I spent maybe a good half day reverse-engineering the top podcast and the top podcasts within those podcasts. So it was like Andrew Warner, what are his top podcasts? How long are they? What are the topics? Who are the speakers? What are the comments that people are leaving, and figuring out how do I reverse-engineer from what's already working to what people want to create something for myself? And this goes for dating, right?

So maybe you get a pedicure. Maybe it's not using the same online dating sites. Maybe it's asking for friends. In marketing, what blog posts always get to the top of hacker news? Who are submitting those blog posts? So how do you figure out-

Andrew: Trying to figure out why those posts are getting to the top of Hacker News. What do they have in common, and what can I do that's similar to that?

Noah: Yeah, I think that's what most people do wrong, is that they kind of go all over the fucking place and they don't really have any organization around it. If they actually took the time to think about it and say "Well, what already is working?" and "Let me see how I can re-create that and then add my own flair."

Andrew: You know, you've always been really good about that. I've always seen you do that, right down to with Hacker News when AppSumo was first getting going, and you didn't have the time to keep rocking the top of Hacker News you said "Well who's on there? How do we get on their website?" and then when people go to discover their top blog post, when people go from Hacker News to their blog post they'll see us.

Noah: I mean, that's the same thing we did with...well I mean two things. Like SumoMe.com it's the same thing. I'm seeing who's already--well SumoMe is our free marketing tool--and I'm seeing who's already getting their blogs featured there, I'm like instead of me trying to go get SumoMe featured, let me get the people who are already getting that attention. And the second thing-

Andrew: To get those people to use SumoMe?

Noah: To install SumoMe.com. And the second thing is like with Hacker News, it's a Y Combinator company, so instead of me trying to like force my way in there, I just went and got a lot of Y Combinator products on AppSumo.

Andrew: Yeah. I did that by interviewing Hacker, excuse me, by interviewing Y Combinator alumni I was able to get onto Hacker News a lot more often in the beginning. Hey, you see that Neil Patel is coming on next. Maybe we can continue this? What do you want to learn from Neil about how he markets?

Noah: With Neil specifically I want to know how much money he's making through...because he put out this vague post about all the costs. What's the actual revenue he's making from his digital product on his website?

Andrew: On Quick Sprout.

Noah: On Quick Sprout.

Andrew: Okay.

Noah: Secondly, I want, I was actually really curious about his content schedule and does he actually do all of his own writing. Because the way he out, the amount of content he outputs it looks like there's got to be a ghost writer or something. So I'd love for him to go over about how does he choose the topics and does he actually do all the writing.

Andrew: What's your revenue with your digital product?

Noah: With the monthly 1K, the "How to start a \$1,000 a month business," I don't really look at how much it makes, honestly. I focus on two things: one, I focus on does it help us break even, our costs every month at AppSumo, as a business is around \$70,000, so I make sure that it helps us break even and then I focus it--I'll show you--we have a Chat's Amazing. You introduced me to chat, and my business partner. We have a thing that tracks...it texts us every day when we make a sale. So it shows who they came from, how their

goal, and so we generally range between five and 20 sales a day and so I target about ten to make sure we break even each month.

Andrew: Ten new sales a day?

Noah: Yes.

Andrew: Okay. So are you under \$100,000 a month right now?

Noah: Our AppSumo as a business is above \$100,000.

Andrew: Wow. How do you feel, by the way, revealing that? And I'll go to Neil next, but does it feel okay to be saying that publicly here on Mixergy, or did it feel like I pushed you to say something?

Noah: Right, I feel like everyone who interviews, you have to do that. You're like, not this part, but you have to be "Hey do you mind?" No, I share what I want to share. The thing that I'm sensitive about-

Andrew: You know why? I'll tell you why. Because so many people after an interview will email me afterwards and ask me to edit it. They'll say "Can you please remove the fact that I just revealed the number. Can you please remove the fact that I just revealed that I had an argument with my co-founder?" And I feel like sometimes the only way I could lock them in and make them feel okay is to have them go on the record, but in this case I just wanted to touch in and see did you get pushed because we're friends?

Noah: No, not at all. I mean, I think the only thing that I'm cautious about...I don't mind sharing out Sumo revenue and stuff, but I think it makes people basically think that we're focused on more than just revenue and profit, which we don't optimize at all anymore. And then with the course specifically, with Monthly1K.com, I'm very cautious about trying to make it seem like we're like "Oh, I want to show you how much money we're making from showing people how to make money."

Andrew: Ah, I see.

Noah: I really don't want that type of relationship. I want it to be, like, look -- people are buying it, kicking ass, and it's cool that people are joining that every day. Making sure that's more rounded.

Andrew: All right. Well, Noah, thank you so much for being on here.

Noah: Keep kicking ass, Andrew. Love you, man.

Andrew: All right. And also really, for everything that you've done in private throughout the years from introducing me to guests -- many of the top guests came through you -- to help me figure out whether the revenue model is, to sometimes just being a friend who will go for a run and talk about my relationship with my wife. Thanks buddy.

Noah: Awesome, brother. Thanks, Andrew.

Andrew: Cool. Our next guest is Neil Patel. Neil is the co-founder of the analytics company, KISSmetrics, and of Crazy Egg. He is best known for his work on... He is best known for teaching marketing on Quick Sprout... Actually, I don't... You know what? Neil, let me bring you on here. I'm not crazy about the way I'm introducing you right now. I was about to say you teach people online marketing on Quick Sprout, where you also have a digital product that Noah Kagan talked about. Welcome to Mixergy.

Neil: Thanks for having me.

Andrew: So, Noah asked a good question: Do you write your own content on Quick Sprout?

Neil: Well, there's a caveat to it. I publish three posts a week. Out of the three posts, two of them are blog posts, which I write myself. I do have an editor. I have terrible grammar in English. People used to always complain, like most of my comments used to be, "hey you spelled this wrong," or "you did this wrong." And then I also have someone who takes my post because I write in Word, I can't write in WordPress. I write in Word, I can take screenshots of images, and they will put it up and make it look pretty and they will format it. So I don't have to do that. Because I was taking around 30 to 45 minutes.

Andrew: But you start from scratch, writing your own post, and then they edit?

Neil: Okay, so the process goes: I come up with a topic, or a reader will email us [??] about on this topic. I'll write the post. After I write the post, someone goes, takes my screenshots that I did, because most of my posts have screenshots, [??] add in a generic image at the top. They'll go and format the content I wrote into WordPress, then an editor goes in at the end and corrects it all, because there's a lot of grammar and spelling errors even though I write in Word.

And then, the third blog post of the week is an infographic. The infographic, I have someone who works for me, I pay them five or six per month, they do the research. Then they go find designers from Dribbble. We pay the designers. They create the infographic. I just add a quick intro paragraph, and a conclusion and then the editor edits it. The infographic post literally takes me 20 minutes to post, the blog post takes me around four hours to write each one.

Andrew: I see, but the person who works with you only comes up with the topic and the research, and then you guys go out to Dribbble and you find someone to turn it into a piece of art.

Neil: No, they do all of that too. So their job for the infographic is to come up with the research, come up with the data, find the designers from Dribbble, hire them, coordinate with them, get it done, make sure it looks good, and then I'll create the text for all the infographic. So I'll introduce the infographic and I'll end it with a conclusion.

Andrew: I see. The other question Noah asked was what is the revenue from the Quick Sprout product?

Neil: You probably already know what I'm going to say there. So I did a Facebook post talking about the expenses. The expenses actually include income, so I was negative, I think, 600-and-something-thousand bucks.

Andrew: How much?

Neil: I'm investing a lot, there's a lot of software costs in there that I haven't shown. We're releasing a pretty big software product on Quick Sprout.

Andrew: But you were saying \$600,000 in revenue from the Quick Sprout product.

Neil: There's way more than that in revenue, but I'm negative in profit. So I'm losing money. I lost 600-and-something, whatever the number was. It was above half-a-million, under a million bucks.

Andrew: You lost more than half-a-million-bucks on Quick Sprout? The blog with the course on marketing?

Neil: That I lost, yes.

Andrew: Wow, I had no idea. Where does that go?

Neil: A lot of it right now is going to software development.

Andrew: Ah, I see. Software development on Quick Sprout. The website analyzer tool.

Neil: Not the website analyzer tool, we're building the whole marketing suite. Think of, like, Adobe's digital marketing suite, but that for content marketing.

Andrew: I see. Okay. So what kind of revenue are you doing?

Neil: Revenue? I won't tell you. I don't think I've ever told you for any other companies. If I lost 600-and-something thousand dollars I'm getting a substantial amount of revenue.

Andrew: One of the things you told me when I asked you about creating Mixergy Premium was, "Andrew, don't charge monthly, just figure out how long people are going to stay and create one bulk price where people pay for it." Why did you advise that?

Neil: You'll typically increase your conversion rates. People, even if they say they don't mind paying monthly fees, they tend to hate it. They like the concept of, "hey, here's a monthly price. Oh by the way here's a special, one-time offer." For x dollars you can get unlimited access forever, and you'll find that it converts a lot higher, and you'll make way more cash. And lifetime value with that customer goes up as well.

Andrew: But things seem to be different when it comes to software, right?

Neil: That's correct. And that's how you spend a lot of money on software because software, you can add these subscription services assuming people are using it and getting value from it. They'll continue to pay every month. Consumer goods though, the ROIs, in comparison, even though people can get value from it they don't feel that it's worth paying every single month.

A great example is linda.com. They're worth a lot of money, but I bet you Linda turned a lot of revenue.

Andrew: Because people cancel and then come back.

Neil: That's correct.

Andrew: I see. Canceled and then they plan to come back when they ...

Neil: They're not coming back.

Andrew: They're not even coming back.

Neil: Part of the reason is if she has additional goods, right? It's hard. If someone's paying for Mixergy, I bet you most of the users don't stay for a year and go with the monthly option.

Andrew: You still work at KISSmetrics?

Neil: I do.

Andrew: You do? How much of your time do you spend on KISSmetrics?

Neil: The majority of my time actually does at KISSmetrics. The blog on Quick Sprout, this one I'm willing to lose money in, it drives a lot of leads for the business at KISSmetrics.

Andrew: How does that work?

Neil: I had [??] from 888.com, the big gambling site. "Hey, we love your content. I want to talk to you about analytics." And some of these guys will throw down like 300 grand or a half million bucks in analytics. It more than makes up for any time I'm spending there, right? [??]

Andrew: You know what? I'm about to have Drew Hausten on of Dropbox. I'm curious what you'd want to learn from him about how he built up Dropbox.

Neil: Sure. The number one thing I would like to learn from him is any results they've . . . So Dropbox has grown, in many cases, from the referral program, right? They tweet it out, get more storage space, etc.

Andrew: Mm-hmm.

Neil: Is there something they've learned for the B2B market because a lot of theirs is consumers, right? People that don't own businesses. And the second thing I would like to know is there any specific AB test they've done in the past that increased that referral [??] because if you look at Dropbox's growth percentage it's much more superior percentage-wise than most referral programs.

The B2B space is much more difficult because if you do a tweet there are a lot of consumers that will see it. Serious, because I know that they are about to do businesses as well. They've figured out any tweets put to the test for the referral program [??] attract more businesses [??].

Andrew: By the way, does [??] go on at 12:40 or leave by 12:40, Ann Marie?

Ann Marie: He's on right now.

Andrew: We'll bring him on in a moment. Let me ask you about one more thing, Neil. The one time that you went off line was by buying an event called Twistup.

Neil: Yeah.

Andrew: What happened with that?

Neil: Still have it. Didn't do as well as we would like. We had a great guy running it from . . . If you look at the pure number, right? When he was running it, financially it was about to do extremely well. And . . .

Andrew: What?

Neil: It was doing extremely well from the financial perspective. And when he left, it was hard to find a replacement. It was hard to find other people to produce the same amount of profit that he was producing. Whether people like him or not, he was producing profits for the investors. And we just stopped working in the L.A. market because none of us were from L.A. And then we started taking that money and we started using it on software and stuff like that. And then it didn't go well overall, but it wasn't a [??] business at the end. It was just a holding company that had cash, and we used the cash to solve [??]

Andrew: I see. And did you make your money back on that? I remember you sitting at that first event after you bought it with your laptop, checking the revenues, making sure that this deal worked out for you guys. Did you make your money back?

Neil: The first one lost money. After the second and third event we were more than profitable. [??] because we learned that sponsorship paid for the event. We made sure every event we had more sponsors than that [??].

Andrew: Sponsorship not ticket sales.

Neil: That's correct. Ticket sales is what we would consider profit.

Andrew: And did it keep you from ever wanting to go off line again?

Neil: That actually made me never want to do another off line business. I hated it because the amount of effort you had to put in and how much you made it just wasn't worth it.

Andrew: I know the feeling. People always say, you should go and create an off line conference. If Mixergy does well, the revenue is going to come from a conference. I used to do event. Events are a pain in the butt versus online where you can AB test things, where online you can figure out a way to adjust today and then carry it through to tomorrow. It's not just a one- time thing.

Neil: That's right. In my case it's traffic, right? So it's easy for me to do stuff online. I won't touch anything off line unless it's real estate. Other than that, you know, I'm staying away from that as far as possible.

Andrew: Your big purchase was Hello Bar. What's another one that's done well for you, another web app or software?

Neil: [??] done well. We sold [??]. We just purchased Stride, which is a CRM map. After we purchased it within 2-3 months we've already tripled revenue.

Andrew: On which one? On Strike?

Neil: Strideapp.com it's a CRM kind of like High Rise or Salespars [SP].

Andrew: I don't know that one, Okay.

Neil: It did well because we bought it for pennies on the dollar and 3x-ing revenue within, you know, a few months is always a good deal.

Andrew: Wow, congratulations. Neil, thank you so much for doing this. And also, you were one of the first live guests when I used to do Mixergy live on a stage in Santa Monica. You came out and you didn't just come out, you put on a great show, you always crack people up. And then afterwards you would hang out with the audience or with the other guests.

I remember Otis Chandler saying, "I was on the stage with Neil. I emailed him afterwards, and he just went out to lunch with me. He helped me think through my marketing." I always appreciated you doing that. Thank you.

Neil: Yeah, no problem. I met good people, even Otis, I call him Stanford, but same thing [??] I'm like good person. It's not about how much money they have or not, there are a lot of smart people at Mixergy live. Even if they didn't do anything in the past. Great audience. So thank you for having me.

Andrew: Thank you, thanks for all the support over the years. And yes, it has been a great audience. My next guest is Drew Hausten. He is the co-founder of Dropbox, one of Y Combinator's big success stories. I'm talking just to give him a chance to get back up on mic. I saw that he was on mic and camera a moment ago. Let's see if Drew is there. Drew, are you there?

Drew: Is it working?

Andrew: Yeah, it is, but your camera is off. I think you have to hit the camera button right above.

Drew: Yeah, I hit it. Let me toggle it again. If it doesn't work I'll refresh it. Give me one second.

Andrew: Okay. No problem, we'll make it work. ... Cool. While Drew's doing that, I want to say thank you to a few people who have helped grow Mixergy including Doug Hoffman [SP]. I asked Doug why he's a Mixergy premium member and God thank you for subscribing and being such a big supporter of Mixergy. He said that he learned way too much to even be able to answer in a short box and it's been one of the most consistently valuable business resources for him. Doug Hoffman, thanks so much for being a part of the Mixergy community and helping to grow it. Drew, how is the camera this time?

Drew: Good question. It seems to be [??] working.

Andrew: Something's happening.

Drew: I don't see the video. I'll just quit Chrome and try again, one second.

Andrew: Okay. Cool. ... Olivia, are you around? We'll see if we can bring my wife up here in between guests. Here's another Mixergy premium member, I'm looking here at my computer. Rob Romston [SP]. He also became one of my guests. I'm so proud when someone listens to Mixergy, becomes a premium member, and becomes a successful company and comes back to teach others. Rob Romston, thanks for being a premium member. ... Drew, welcome!

Drew: Okay. Here we go.

Andrew: Hey! Good to have you on here, man.

Drew: Yeah, thanks. Good to be here.

Andrew: So Neil Patel, the previous guest, asked you a couple of questions. He said can you ask if Drew and Dropbox learned anything about B2B sales and B2B conversions. What have you learned about that that you can share with us?

Drew: Well, this has been kind of a big adventure for us over the last couple years. It was my hope that we'd just make a product and it would just sell itself and people would just swipe their credit card and it would all be good. It's been a little more involved than that. We have, among other things, built a sales force and had to do a lot, especially as Dropbox had become more pervasive, to get IT comfortable with it and so on. And I think the reason for that is when companies are putting all their crown jewels in Dropbox they are often adopting a service like this for the first time.

So they want to know that if they have any issues that they can get on the phone and they want to know if they have any issues that we will help keep their stuff secure. And so it's been a little more involved than I thought and also some internal challenges around culture like how do you build a company that can address both the consumers and the enterprise at the same time.

Andrew: When I signed up for Dropbox, it was a friend, I think, who referred me to Dropbox because they wanted a few more megabytes. So I joined and then when I bought, I just put my credit card on and now I've been a subscriber, I think, for two or three years. But you're saying that's not the way it works with bigger companies. Do you call out to them or do you wait for them to request a call? How are you getting big companies to sign up?

Drew: So step one is a story more like yours where someone who's just working in a department starts to adopt the product and share it with their group and then it kind of mushrooms out from there. And then often it will get the attention of IT who's like "well, okay, how do we deploy this in a formal way and get some of the visibility and control that we need?"

Usually the first adoption is organic and often will be clumps of people, or individuals just buying pro accounts for themselves, maybe using the corporate credit card. Then to answer your question of "Do we call them or do they call us"? It's a mix of both. Smaller customers will often call us and then we'll often have customers that have hundreds or thousands of Dropbox users. They just might not realize it yet. So, those are the kind of folks that we'll call them and let them know that we have a business offering.

Andrew: How do you know that there are companies out there? How do you know which companies out there have thousands of users already on Dropbox that you should call out to?

Drew: Well, sometimes it's real easy to tell because if you have a bunch of users sharing a bunch of documents all on the same domain. So, just a random company, or pick Cisco. Cisco has a lot of users on Dropbox and they'll either reach out to us or we'll reach out to them saying, "You have X users at Cisco.com. Plus, if you are like other companies, you probably have a bunch of other people using it who have G-mail or other webmail domains." So, we give admins tools to kind of consolidate that and make that manageable.

Andrew: How do you know who to call up at those big companies so that you can explain to them that their users are using Dropbox, what Dropbox is, and how they can connect them all together if they had one unified account?

Drew: Well, that's something where often there will be a head of a department and we'll connect them with IT. Or IT will reach out. I think one thing that's changed in the last couple of years is Dropbox has become so pervasive that we are on their radar. We never meant to fly under the radar, but now it's something where the category is maturing such that Dropbox is well known. IT, in some companies, it's the number one request that they get, to formally deploy Dropbox.

Andrew: So you guys will call into the IT Department, ask who the right person to speak to, and explain to them how they can work with Dropbox in a more organized way.

Drew: Yeah. And we actually do a lot of other outbound things like we are starting to do more brand advertising, so if are reading on Technology Review or on IT sites or different things, you'll start to see different promotions for Dropbox for business.

Andrew: I see. Now, how many users do you guys have now?

Drew: Well, the last number that we published was 200 million.

Andrew: 200 million. When did you publish that?

Drew: Late last year, we published that.

Andrew: Wow. How many paying customers do you have?

Drew: That we don't break out, but that's been growing a lot too the last several years.

Andrew: So, I asked Jessica Livingston, partner at Y Combinator, one of the early investors and believer in Drew and also in Dropbox. I asked her, "What is it about Drew? What makes Drew Hausten a success and other people not?" She didn't know. We couldn't come up with a question that could bring it out. So we are just going to ask you, "Why are you able to do it?"

Drew: I think that's an interesting question. I think that Dropbox happened to be an idea that I was really excited about. And then I was really fortunate to team up with a good co-founder and move out to San Francisco and surround myself with great investors and hire great people. Doing some of those things, like surrounding yourself with good people and getting an environment that can help you grow your company is sort of like moving into a faster lane of traffic. I think that those are the most important things, like setting up the environment, that kind of pulls great things out of you.

Andrew: What is it about your environment that helps pull such great things out of you?

Drew: Well, I think it's when you take money from a top tiered VC, they kind of have a playbook on how to take a couple scruffy, early 20-something engineers and help shepherd them through building a big company. Second is we got a lot of great angel investors and prior entrepreneurs who have taught us a lot and among other things, some very foundational ideas that they had, such as really being obsessed with hand picking every single person that you bring into the company.

Those are now really, deeply embedding in our cultural foundation. That continues to pay interest when you are able to be pointed in the right direction from the beginning. Then, honestly the stars have aligned for us in a pretty special way. I started working on Dropbox just because I thought it would be interesting and useful for myself. I had an idea that a lot of other people would want it, but Arash, my other co-founder, and myself could never had predicted how quickly things like mobile would take off. And how much bigger this problem would become for so many normal people and businesses. And so, I think timing and luck, or at least things outside of our control ended up being on our side.

Andrew: If you were to start over, this is a question that Tim Ferriss helped me come up with earlier in the session here today. If you were to start over, and look for a new idea, where would you look? How would come up with the next idea?

Drew: Dropbox for me started with a personal problem. And, you think about, a lot of companies sort of follow the passion of the founders, or scratch an itch that they personally have. There's other ways to do it. But that tends to be more focusing on a problem that really bothers you or that you're really excited about, tends to be better than trying to do market analysis, or a more kind of traditional kind of MBA approach. Nothing against MBAs. But, it ended up being. That's where I would look. I would look for what seems broken.

What works a certain way today, but will certainly not work that way in the future? And where is technology broken? And I think about that all the time. And in some ways, what I've paid a lot of attention to, is to pick other problems that I get excited about, and kind of expand the scope of Dropbox to support dealing with those problems.

So, for example, email bothered me a lot of the same way having to back up my computer or carry around a thumb drive bothered me. And, when we thought of Dropbox not as file storage, but as really, simplifying how people use technology, and saving people time, and making things work better, email kind of falls under that umbrella. When we went out and bought a company called Mailbox. And our interests as a company just keep increasing over time.

Andrew: I keep waiting for more integration between Mailbox and Dropbox.

Drew: Yeah.

Andrew: Will that be coming?

Drew: For sure. We've kind of left them. That team has a pretty obvious set of things that they need to tackle: supporting more platforms, supporting more email providers. Because historically they've just supported iOS and in the beginning they just supported Gmail.

Andrew: Oh, Drew it looks like we're losing your connection. Just as we're getting to the new stuff. ...Looks like you're coming back on. Hey.

Drew: I just got an ominous-looking error message, but looks like we're good.

Andrew: Glad you came back, yeah.

Drew: So we actually haven't changed the road map that much. Now, that said, we have started to add ties between your Dropbox and your Mailbox. And things like attaching files. But, well, there's a ton more we could do there. This is like a five-ten year odyssey we're on to fix email.

Andrew: Let me ask you about one final question about our upcoming guest Rob Walling. Rob runs a company called Drip, which allows entrepreneurs to grow their mailing list. And he also helps what he calls "micro-entrepreneurs" build their businesses. I'm wondering, there are a lot of great companies that are in that "micro-entrepreneurial" level, but they're not going to get to the billion and beyond level that you've gotten to. If you could give them advice to how to break through that, and go from micro, to macro, to giant, what would you give them? What would your advice be?

Drew: Well, I think the first reason that companies don't become billion dollar businesses, for example, is that they don't have billion dollar markets. And this was true of my last company, right? I started an online SAT company, and our audience is limited to teenagers who have to study for the SAT, right? And you do it once, you're not going to buy it again next year, hopefully. And so that put a cap. I mean, it's still a big market in aggregate, but, compared to something like Dropbox, it's pretty limited.

And so, the first really important choice is what kind of market do you go after. And then if you're going after something smaller, is there a way to expand what you do, or reframe what you do, so that you can go after a bigger audience. Because even if you're going after a massive market, you still have to pick a first niche. We sort of picked Windows file synchronization as our first niche, when we were really aiming at this much bigger problem of how do you have your stuff with you where you are and solve all these other problems.

The second is to surround yourself with people who have done this, who have built businesses like that. So, by taking money from Sequoia, our first venture investor, and others who have seen this thing all the time. Unfortunately, they don't have a bunch of magic fairy dust in back that just helps you like magically get business big. But they can tell you the kinds of things that other founders paid attention to or challenges they had to overcome. And sort of lift the fog of war a little bit. Look, when Google was ten people, here are the kinds of things they needed to do. Right.

When YouTube was 50 people, here's the kinds of things they needed to do. When Cisco was going from hundred million to a billion in revenues, this is the kind of things they needed to do. And so I think surrounding yourself with people who have done the kinds of things you want to do is really important. And then also, not every business has to be a billion dollar business. I mean bigger is not always better.

Andrew: Mm-hmm.

Drew: And one of the things is something like, I think there's that whole Unicorn Club study that said, like, out of maybe 39 in 10,000 companies become worth a billion dollars. And a lot of things have to go right that are outside of your control, between the market and competition and your product and not running out of money. And the list goes on and on, for everything to line up.

Andrew: Okay. I see Mark Suster is going come on in a little bit. One of the things I am going to ask him, I was taking notes on what you said is, I've heard he does this for the entrepreneurs that he backs, that he brings his past experience as an entrepreneur to help them think through their challenges. And also a guy who is just in the entrepreneurship community. I've seen that he collects ideas and then brings it back. I'll ask him for some of those later on. First, I want to thank you, Drew, for coming on here and, not just doing this but also for having done a Mixergy interview in the past and being so supportive of my work here. Thank you.

Drew: Well, congratulations.

Andrew: Thanks. One thousand. Good start.

Drew: All right.

Andrew: Bye. I've got two more guests with me. Mark, are you good to hang on for just a little bit? Okay. Thanks. I want to introduce Rob Walling who you might have seen on your screen for a bit here. Rob is a micro entrepreneur whose recent company is Drip which makes it easy for you to get your reader's email addresses so you can grow your business. He's also an entrepreneur who has helped others build their own micro entrepreneur empires. Rob, welcome.

Rob: Thanks for having me, man. Congratulations on the thousand.

Andrew: Thank you. Rob, what about this thing that you just saw Drew come on here and do an interview about how he built Dropbox. It feels like everyone you talk to has Dropbox on their phone, on their computer or in their heart. They all love it. I've had the founder of Y Combinator come on here, talk about how she helped hundreds of companies grow. And here you and I are, I'm doing this little interview. You are clearly in the micro entrepreneur space. Do you ever feel like, I've got to bust out of this and go way bigger?

Rob: Not very often, because I think that there's a couple of things with that. If you want to build a Dropbox, you're going to have to build, probably, a thousand of them for one event to succeed. And those odds, I'm pretty analytical, and those odds just didn't work for me. So I'm at the point where I'm still finding interesting

things to do, still able to challenge myself and learn. I mean that's kind of what I need to be doing. And I'm able to do that even with smaller businesses that are in the six or seven figure range, not the billion dollar businesses.

I do, I have mad respect for anyone like Drew, or Mark who are playing in that space because it's obviously a real tough space to be in, in terms of success rate. But I like seeing repeatable things. Once I got a couple of skills that I could repeat and build new businesses, I haven't really gone out of that zone. I've expanded my comfort zone, but I've never had the desire to. I'm almost 40. I have two kids. I'm just thinking, man, I don't know that I have it.

Andrew: Really?

Rob: Yeah.

Andrew: You know what? I've got to tell you. I'm so proud that we're doing a thousandth interview. That's why I'm celebrating here. But if I have my second thousandth interview that's still in like a YouTube box like this, and it's just me in the same office, and we haven't had more impact. And I walk down the streets here in San Francisco and people still don't recognize me. I'm going to be pissed. I'm not going to stop. I don't know. I'll change course, but I want more. I'm happy here. Really. Honestly. I'm very happy, but I want to go way bigger. Don't you feel that? Don't you feel like I'm really happy with Drip, but I've got to get this thing bigger. I've got to go and leave my mark on the world and have everyone use my software, every single person on the planet.

Rob: Well, you said to have more impact, right?

Andrew: Yes.

Rob: That's what you want to do by the time you have two thousand? How much impact have you already had? How many thousands of people have probably sent you emails and said, your interviews have changed the way I do business, have changed my life?

Andrew: You know what. Not just emails, but check this out. Let's see if we can even bring it up on camera here. Shirts and a box here today with Mixergy cookies. A whole box of cookies here.

Rob: That's awesome.

Andrew: From Mike Flynn and Tony Marama [SP]. And I'm really appreciative that they sent it over. And Ann Marie has got a couple of other things that just came in today to celebrate. I'm really proud that people have been impacted. But I still want more. I don't go to bed thinking, great, I feel like ... I was just watching a Johnny Carson documentary and thinking, "Look at the impact Johnny Carson telling jokes had." I better have, at least, twice as ... not twice. I better have more impact that I have right now. I don't know exactly how to measure it. Maybe that's a problem. I'm going to ask Mark later on. I need to know how to measure it.

Mark has built successful companies that are big at Mixergy. Don't you feel that? You don't feel that at all, do you?

Rob: You know, so I do. I should, but I think there's a way to say -- when you're 23 and you have a hundred hours a week and you can take the chance and you can say, "I'm going to start. I have nothing. I'm at zero. I want to do a hundred by next year. A hundred is building a billion dollar business, all right? And zero is where you're at when you're 23. I'm going to do that in a year, and I'm going to spend 90 hours a week.

Or you can say, "I'm going to take a more gradual, a more measured and a little more predictable approach, and I'm going to go from zero to ten in the next year. Maybe ten is building a business that doesn't [??], and I'm going to go to 20 the year after. And maybe that's doing five grand a month. Then I'm going to go to 50 which is 50 grand. I'm just kind of making up numbers here, but you get the idea.

There is a more calculated but a much higher probability of success to approach it. So that's what I tackled. Most businesses that I've done -- the next one is about five and ten x bigger than the last one. That's been my goal. So, yes, drip, I do want to get it bigger, but we'll never be a billion dollar business. It's just not designed to do that.

Andrew: Micro Comp, I went to the first one and it was phenomenal. It felt to me that you curated the right kind of entrepreneurs, the ones who are big fans of your work who all had the same mindset that you

brought into the past questions that I've asked you here. And it felt like a really good event. You sold out this last one lightning fast. How fast did you sell it out?

Rob: It was ridiculous. It was like 20 minutes.

Andrew: Yeah. So what did you do to grow so fast, to make it so that in 20 minutes people buy?

Rob: You know, Mike Tabor [SP] is my conference co-host, and we built a conference that we wanted to attend from day one. Every decision we make we definitely take feedback from attendees, but we ask that ourselves at every point. Do we want this to be a conference that we attend? So we've had people say, "Hey, we wanted to have exhibition, like exhibit booths and stuff."

Andrew: Yep.

Rob: And people tracks and all this stuff. And I don't like that in conferences. I don't attend conferences like that. So I think that's been a big part of it. The other thing is just being around. There's a consistency. There's a Steve Martin quote that says -- He talks about comedians. He says, "It's easy to be great. It's hard to be consistent." What he means by that it's easy to show up one night and just knock it out of the park as a comedian, but to knock it out of the park every night is very, very hard. It took him a decade to do.

We've just shown up every year, right? This is our fourth Micro Comp in Vegas. It's our fifth overall because we did one in Europe this year. Each year it's gotten better, and it's built its own buzz. Now there are people attending -- kind of what we knew we had figured it out is some people attended that said, "Yeah. I don't know who Rob and Mike are. I just heard about Micro Comp." We nailed it. It's no longer about us, it's about the other attendees and the [??] built.

Andrew: I found that too here at Mixergy that if I -- I've done a thousand interviews. This is my thousandth, and there were times when I felt really shaky, and I would still go do the next one. There were times when I wasn't sure what to ask, and I'd still go do the next one. There are times when I ask the worst questions, and I'd spend some time thinking, why did that stink? Then think about how I could avoid it the next time and go do the next and the next and the next. You actually start to find yourself and improving as you continue.

I've been watching you, Rob, for so long and naturally watching you grow and improve and improve. And I really appreciate at the first Micro Comp you not just had me out, you had me at this hotel room in Vegas with a grand piano, two floors. It was spectacular. And then it was so big I felt guilt at having it all to myself, I invited everyone from the conference to come over and just celebrate the end of the conference with me. Heaton Shaw bought everyone drinks, and it was one of the best events I've ever been to. And I really appreciate you taking such good care of me.

I sure thank you for doing this and so many other interviews on Mixergy.

Rob: Yeah. I really appreciate your coming out to Micro Comp that first year, and that party is something we do now every year. We didn't have anything scheduled, and that shows you. The first year you don't know what you're doing, and then it gets better each year. So I definitely appreciate it, man, and I watched a ton of your interviews. It's had a definite impact on my business. So thank you so much for having me with this amazing company of Tim Ferriss and Seth Godin and Mark and Drew and everybody else. I really appreciate it.

Andrew: You bet. Thank you for being on here. Our next guest is an old friend, Mark Suster, who you've heard me talk about a few times here. Hey, Mark.

Mark: Hello. Good to see you.

Andrew: Mark is an entrepreneur and angel investor and now a partner at Upfront Ventures. He went from being an entrepreneur to being one of those investors that helps support entrepreneurs, both the ones that he invests in and those in his network. And I've been so fortunate to have been in his network. I remember asking you, Mark, one time about an upcoming guest. Do you know any information about him? You took my call and you helped me work through and prep for the interview, and I've always appreciated you for doing that. Thank you.

Mark: No, thank you. I'm here mostly because I want to say thank you, Andrew, for everything you do. I've done hundreds and hundreds of online video interviews. But I want to say probably the first one I ever did after I became a VC was with you.

Andrew: Oh, wow.

Mark: It was a great interview. I'd like to resurface it and actually see what I actually said, and if any of it was relevant. And then I asked you one piece of advice. I said I want to know one entrepreneur I need to meet in LA. You I've got your fingers on the pulse. And you said, there's only one person you need to meet. His name is John Hering and he runs a company that's now called Lookout. What a phenomenal recommendation. My only ask is next time can you send it to me a year earlier so I can actually invest.

Andrew: Ah, he built something phenomenal.

Mark: Yeah.

Andrew: Well, actually, one of the things that I've noticed since we've first met, you're helping to create those entrepreneurs. Like Sean Rad, I feel like you took him and so many other entrepreneurs in LA under your wing. And you said, I'm going to help you out. I'm going to help you figure out this whole investment thing, and help you figure out this whole startup thing. And you did it because you wanted it to pay off at some point in the future.

Mark: I think that's a fair statement.

Andrew: Not just for you. I mean for them, for LA. And it wasn't the kind of thing that would pay off for years.

Mark: Well, it's interesting. So I took the long-term view. I still take the long-view view. I met Sean when he was still at USC. He had a company called Orgoo. But you knew that he had that magic something. He had design skills. He had big ideas. He had huge enthusiasm. I didn't love that business. We didn't fund it. We funded his next company. It was called Adly.

Andrew: Yeah.

Mark: We made a few mistakes at Adly. The single biggest mistake, and I advised against it. You won't believe this, but we brought in a new CEO. And I advised Sean not to give up the CEO seat. Even though I loved the guy we brought on, but it was the wrong move for the company. It was the wrong move for Sean. Sean then . . .

Andrew: Why did he do it?

Mark: What's that?

Andrew: Why did he do it?

Mark: I think he felt like the business was growing too fast. He was little bit nervous that he didn't have the skills to step up. He was under a little bit of pressure from angel investors who had some issues with his management style. And we got this super talented person who he thought could take us to the next level.

Andrew: Yeah.

Mark: He left Adly and I took a reference call from IAC who said, we've got this young kid. We're looking for someone to come into our incubator. And I said, are you looking for someone with phenomenal design skills and great innovation. They said, yes. I said Sean Rad's your guy. So I actually took the reference call from Cara Nortman who was looking to hire him. I mean, obviously, he went on to create Tinder. But two years later then, I funded Cara as she spun out of IAC to create her new company.

Andrew: Why do you think that Adly, it sounded like you're saying that there are things you wish had gone differently.

Mark: Yeah.

Andrew: Ultimately, why do you think it ended up the way it did?

Mark: Well, Adly is still around, I should say. And we've got a stable company, but I think we did a couple of things wrong. So very early on, I was very public. Sean was very public with our belief that in-stream advertising would be the way that ads were delivered, as opposed to at the boundaries of your periphery

where nobody looks.

And everyone at Twitter said it would never happen. Everyone at Facebook said it would never happen, but of course that's where all their money is coming from. So we nailed that. I think we made a couple of mistakes. One is I always believed we should focus on long tail, and we did build a long tail business. But as we became incredibly well-known, every celebrity wanted to work for us. So we started focusing on the celebrity business. And I think that was harder to build. Number two is platform risk.

As an entrepreneur you just can't put all your eggs in one platform. You really have to have three or four different platforms. And I don't think we were quick enough to recognize Pinterest, Reddit, YouTube and other platforms we could have monetized through.

Andrew: I remember watching you. We spoke with Neil Patel earlier about Twistup. You and I were on a judging committee at Twistup. I was mostly listening because I didn't know how to evaluate these companies lightning fast. You looked at the data that they submitted during the process on their form and you looked at their website, and you were able to pick up on what was going on at the companies today and what was going to happen beyond in the future. I always admired how you did that.

Do you have enough of an awareness of your process to understand how you can do that, how you can pick up on things that aren't in the form that the company is doing today? And how you can figure out where they're going, where you think they're even going to go?

Mark: I would say this. Number one, it's just we see deal after deal after deal, you start to make sense of them. So part of being a VC is just seeing a lot of deals because then you can recognize patterns. And you have to be careful about patterns.

I will sound insincere when I say what I'm about to say.

Andrew: Mm-hmm.

Mark: But I actually don't think I'm that clever. I don't think I have to be that clever. I think the problem investors get into to is if you think you're smarter than the entrepreneur. What I'm really looking for is an entrepreneur who had an idea that they're so incredibly passionate about they seem to have extra insight into where things are going to happen. And you're backing their intuition not your own.

Now it has to be something you feel like intuitive you understand, but you take the guys that look out, you know, they decided that they believed that mobile phones weren't secure. They were cheeky enough to go on the red carpet at the Oscars with a backpack with sniffing equipment and sniff all the information out.

You find people like that, and you won't want to back them. So on that call was a small unheard of company somewhere in Europe, I think, in Hungary called Pressey [SP].

Andrew: Yep.

Mark: No one ever heard of. I loved those guys and instantly saw that they had potential there. It's a shame that I couldn't have been an investor.

Andrew: One of the things you said in your last interview, you said ... You talked about the time you took a shower with these construction workers where one of them was wearing leopard skin underwear because at the time you were running your company. You barely had enough money to afford a real shower. I always remember that.

The second thing you said is you like to invest in entrepreneurs who have a chip on their shoulder.

Mark: Yeah.

Andrew: That brings up something that I'd like to apologize to you for. I don't even know if you remember and to ask you about the distinction. When we first met, one of the things you asked me to do was to come to coffee which I did. And you said, "Andrew, I see you doing these events. I'd like to organize an event for some of these great entrepreneurs. You're always a big booster of the entrepreneurs in L.A."

And I said, "Mark, you don't see me. I've got this thing. I need to be bigger than the guy who's organizing events." In fact, I think I had a chip on my shoulder that time, and I didn't mean to come off as arrogant, but for

a long time afterward I said, "It's kind of an arrogance thing." It felt a little arrogant to me that I would even say this to a new friend before even getting a sense of who you are. I said, "Why are you seeing me as so small-time that I'm going to organize an event instead of seeing this big thing in my head?"

So the thing I want to ask you is what is the difference between having the right chip on a person's shoulder that's actually going to help them go somewhere and being borderline rude the way I think I was.

Mark: You know, honestly, Andrew, if you're genuinely a good person, you can get away with a few prickly events. You give off such positivity. You come across as completely sincere, your desire to educate and communicate. You were a bit prickly in that one situation.

Andrew: You remember that.

Mark: Of course, I do. But we didn't miss a beat, like I was willing to meet you again, talk to you again, get involved with going on your show because I saw it as a blip. I thought, gosh, I must have touched on a raw nerve. I'm not sure what it was.

So I'll do a small shameless plug. I keep a blog. It's called Both Sides of the Table. I write a lot of these stories. There is one of them you can search for which is Chip on your Shoulder, and I've written a whole blog post. It's called, "What to do with the Chip on Your Shoulder?" A chip on your shoulder is good.

It's why I like the idea of finding immigrants. I want to fund people who are not part of the establishment, who are not country club. If you grew up with all the golfing buddies at all your prestigious country clubs, you're part of the system, you don't really want to upset the apple cart, right? So I'm looking for the people who want to challenge conventional wisdom, and often that's immigrants. I find everybody, not just immigrants, but often it is. But if it's the person...

That's why a lot of super successful entrepreneurs have father issues. And it's the I'm out to prove something often motivated by the desire to stick their middle finger up at somebody and say, "You said I would never succeed and look at me where I am. This is the people that do, in my opinion, extraordinary things."

The wrong kind of chip ... I always tell the story. I saw a guy who raised money. I met him at a conference, and all he did was complain to me, like I met VCs but they were so stupid they didn't understand this. And my co-founder was no dumb he couldn't understand this, and I don't understand why 23-year-olds with social media are getting funded and I'm not. And you could just see that he was like a dog that had been kicked in the head so many times it was a bitterness.

So if the shoulder is to stick it to the man, that's the kind of chip I want. The chip on the shoulder is the system has wronged me, and I hate the system. That's maybe the bad guy.

Andrew: I get that. Speaking of nice, the other thing that I remember about you is...and I want to understand the process, not come across as just complimenting, but...one of the earlier times that I met you, you asked me if...about my fiancée. And you said are you comfortable using the word fiancée yet. And since then, we've been married. But I was amazed that you would remember it, since we hadn't really come across each other much, hadn't talked about it publicly. I wondered, do you have a process for remembering those kinds of details about people? Because it really goes a long way.

Mark: Thank you, I appreciate that. I'm in a people oriented business. I think a lot of these C's are overly analytical and maybe lack that empathy, and probably in some senses are book smarter than I am. But I don't actually think it's a book smart business. So, when I first got into business and looked at the elders that I respected, what it seemed that they had was a curiosity to understand what's behind the people.

What are their drivers? What are their motivations? Because markets are going to change, funding environments going to change, competition's going to change. And life circumstances change, your co-founder gets married, or has a kid, or gets a drinking problem, or has depression, or you know. I've seen everything, I mean, I can't tell you how many times I've seen everything. At my company, one of my employees came in with a full bottle of scotch and three quarters of it drunk just by him.

Andrew: Oh, wow.

Mark: A big heavy set guy, and found out, bad situation with his wife, his wife was going to be leaving him. And we had an employee, not only take him home, sober him up, but spend a week with him. Like, I was fearful for this guy's life. I guess the reason I'm telling you this story is, being an entrepreneur, I would say

the job of a CEO is chief psychologist. You need to be able to hire talented people, but then lead and manage them.

The job of the C is understanding the psychology of the people you're about to work with. We were in a partner meeting just before this, I snuck out early, and someone presented a business where they said I love the business, I'm just not sure this is the CEO to build it, and I said conversation over, right? Like, those businesses don't work. Great business in theory, but not the right guy to lead it. So, its paying attention to people

Andrew: I get that, tell me if I'm thinking too small time by going to the tactics, because I feel like I care about people. I have empathy, I have concern, but...the memory about the details of their lives make so much more impact, that if you remember my wife's name is Olivia, and not just say how's the wife, or how's the family, but you say how's Olivia? That little thing goes a long way, and so I've recognized that, and I've started to write it down when people tell me.

What I find is that writing it down becomes a chore, and I don't follow up. That remembering to go and look it up, often...I'd forget, and if I do remember, I don't have the time to go and quickly sneak off and find out what Rob's wife's name is, for example. Rob Wallen was on earlier. Is it just that you have a gift, Mark, or do you have some process for systematically remembering it?

Mark: I don't have a process, so I will tell you a couple of things. Number 1 is I do in my contacts try to write people's spouses' names down and kids' names down, if I can. If I'm there and if I remember, I'll just write it down. And I don't do it, like, I don't go to see somebody and say let me look at their wife's name before I see them, I don't do that. But, where it happens, honestly, is I'll see them out with their wife, and I'll go, oh crap, what's her name? And just knowing that I can get my alternate brain out and remember her wife's name so I don't feel embarrassed.

But, no, I would say to you, first of all, all of our brains are wired very differently. And I think some people are just able to remember it. Now, I'll tell you a trick that they teach you in sales. When you meet someone new, you're supposed to use their name in a sentence 3 times within a minute of meeting them. It's what politicians do, what sales people do, so if I say, Andrew, you know, that's an interesting name because my son's name is Andrew, and so I should always remember that name, Andrew. But, do you tend to go by Andrew or Andy? And just by saying that, I'm not likely to forget your name.

Number two is association. So, if I can associate you with something, that makes me more likely to remember your name. But regarding names, names I'm not always straight on. But I always remember circumstance, right? Like, I don't know why, in my brain I associate you with your fiancée, but also with moving to Argentina, was it?

Andrew: Yep.

Mark: And, you wanted life's experience, and I asked you, like is this just a year and you want to live out life? Or is this your future and you're going to go...I'm just a curious person and I think it makes life warmer to be a curious person.

Andrew: Yeah, I want to get back into a couple of other things that I wrote as questions for your throughout this interview.

Mark: Sure.

Andrew: One of them is that...oh, question that I asked, that came to me earlier today: If I want to grow Mixergy, if anyone wants to grow anything, do you think I need to measure it? Do I need to say, I have to have another 10,000 viewers in the next year? Or...

Mark: Yes.

Andrew: It does, it has to be measurable?

Mark: Yeah, it has to be measurable.

Andrew: Even in a growing industry like the ones that you invest in?

Mark: You know, your measurement...So let me give an example: budgeting.

Andrew: Yeah.

Mark: A lot of people don't want to do budgeting because you know your budgets are going to be wrong. So people will say, "Well, I have no idea." But what you want to do, first of all, is if you don't have a goal, if you don't have a metric in mind...You know there's an old saying, "You manage what you measure?"

Andrew: Yup.

Mark: If you don't have a goal, and you don't have a plan for how to get to that goal, you certainly aren't going to get there. So that's a problem, problem number one. And having a goal will force you to say, okay, what are the steps to that goal? So if I want to fly to New York, what are the way points between Los Angeles and New York to actually get there?

Number two is, with regards to setting goals that are short-term and long-term, the importance of short-term goals is if I set a budget and I miss my budget, what I want to do is after a period of time, reflect. What was I thinking when I set that budget? What assumptions did I make? How good was I at predicting? How bad was I at predicting? Because then, when I make my next 12 month budget, I should say "Okay, well, I was over optimistic about these things."

And being good at forecasting your business is incredibly important to knowing how much capital to have, knowing how quickly to hire resources, knowing how much to spend on R&D and all the other things that matter.

Andrew: So do you have a goal as a venture capitalist for the size of exits that you'd like to have in the next ten years?

Mark: Yes, absolutely. So, my very clear goal is I want to have the largest [sale] IPO in Los Angeles.

Andrew: I see.

Mark: I want to back a company in L.A. that has the biggest IPO in L.A. My goal with that, is not purely financial. My goal is to see an ecosystem form around that company that will cement L.A.'s position on a national and international scale as a feeder company for technology companies.

Andrew: And do you have a deadline for doing it, or do you have a vision for when it'll happen?

Mark: Well I wanted it to be Maker Studios. It could have been Maker Studios. We just agreed to sell Maker Studios to Disney for almost a billion dollars. So financially, I feel good about that outcome. But I mourn the loss of every company that gets sold. We sold Burstly to Apple. We sold Gravity to AOL.

I loved working with Amit Kapur and Jim Benedetto. I loved working with Evan Rifkin and seeing him 3 or 4 times a month. It's almost like going to camp, and camp ends, and you've got to leave all your friends that you were used to seeing all the time. I actually don't feel a huge sense of accomplishment at a sale.

Andrew: You know what? I really want to be fair with your time. You've waited a little bit longer to get started because we had some tech issues, and you've stayed on with me a little bit longer than we initially agreed to. I'll end this by really thanking you, Mark, for all the support over the years, for overlooking some of my prickliness when I was really in my fighter mode.

And frankly, I still feel like I'm in my fighter mode. And I appreciate you doing that. Even after I left your ecosystem of Los Angeles, that's where I started doing Mixergy. That's where we became friends. And in Argentina, in D.C., and now here in San Francisco, you've been a supporter. And it's helped me grow to a thousand, and I'm looking forward to beyond. Thank you, Mark.

Mark: And can I do a quick thank you for you, Andrew, is when you form connections with people, I always will feel connected to you, Andrew. And I don't connect to everybody, but I think we have a special bond. I love what you do. I would love to support you in any way, shape, or form. Call me if you ever have issues about growth or about anything else you're thinking about your business, just call me privately. I would love to chat. Congratulations on your thousandth interview.

Andrew: Thank you, that means a lot to me. Thank you, Mark Suster.

Mark: Take care.

Andrew: Hey, there's someone who's been on call with us, everyone. Olivia, do you want to come on here? And I'll explain why Olivia's been sitting there, why you might have seen that blue silhouette for a while, and while she's trying to get up on camera here. Let me thank a few people from the audience. Hey Olivia, hang on one sec, I want to thank one other person.

Oh, Stefane! Thank you for making those homemade cookies. The cookies that Anne Marie was trying to show me earlier when I was saying that people have been incredibly supportive, came from Stefane. Stefane, thank you so much for those cookies. I remember having a really tough day a few months ago and Olivia brought some cookies that you made. And I remember saying, "All right, if I can get through 75 more emails today, then I'll have a cookie." and then, "If I could deal with this really tough issue, then after that I'll have a cookie" and it's really helped me keep going.

Thank you, Stephane. I want to do one more thank you to Dion DeSilva who is saying, "Because of Mixergy he was able to connect with Dave Maxwell who eventually ended up working with and becoming the COO of his company." Dion is one of Mixergy Premium members who have helped support Mixergy, and I really appreciate it.

I was actually hoping to thank every single person here who is a supporter of Mixergy. I have got a list here, and I've just not been able to do it personally. So I'll thank you guys privately but, Dion, thank you.

Olivia, thanks for being here while we're doing this.

Olivia: It's been two hours of you asking interesting questions. People speak brilliantly on their topics and then my most favorite part is when they complement you.

Andrew: Thank you. Olivia is my wife and the reason she's on here is we were having some tech issues, bringing on some guests. So I was worried that maybe a guest wouldn't be able to come on at the last minute. I said, "Who can come in and really be a supporter here in case everything goes wrong and get on camera with us. And I said, my wife, Olivia, would be willing to do it. I sent her a note, and she popped right in there. Olivia, thank you for coming on here.

Olivia: [inaudible]

Andrew: It's appropriate actually that we -- I'm feeling good. I'm feeling really good. Actually I should talk to Mark Suster every day. Every time I talk to Mark I feel great. It's fitting actually that you are the last guest here for the live recording because you were there when I started Mixergy and I started doing interviews. And I tried to figure it out.

You were there when I couldn't get on camera. I told Mike from Fresh Books that I needed you on camera because I couldn't just talk into the camera. And so Fresh Books, I needed someone to interact with so that it didn't feel artificial. And so you said, "All right. I'll do it."

And I remember being in Argentina trying to figure it out, not just trying to figure out the interviews but trying to figure out the Argentine culture and how to do it all remotely. I would spend hours on it, especially in the early days out of my little office in Regus. Even though we went there to explore Argentina, I would stay there until ten o'clock some days and couldn't get home until way late, and you said, "All right. Whatever it takes, go do it." And I really appreciate you and being there to support me.

Olivia: [inaudible]

Andrew: Sorry?

Olivia: Just in time for dinner in Argentine culture.

Andrew: Yes. Hopefully we were in Argentina where they don't eat until 10:00 or 10:30, right? Remember when it used to be so hard to find guests?

Olivia: I remember the technical difficulties. I remember going into your home office in Santa Monica. So actually I wanted to have a surprise. I spent about an hour recording a little video clip for you [???], but I'm not able to show it. That's fine but one of the things I talked about in the clip was that I have to admit I had to jog my memory for some of the challenges because in my mind you have always been the naturally brilliant and

curious and enterprising Andrew who does makes it happen.

So I do have to pause and reflect on what you tell me on how challenging it was. I've always had a different perspective to work with you, but I'm terribly proud of it.

Andrew: Thanks. No, you were there when Mixergy -- Mixergy was the result of a failure. I said I already did greeting cards. I'm going to get into the invitation business, so easy. Greeting cards worked out so fricking well. The invitations worked out well. Everything I do works out well because we're committed where most people are not. I want it where most people don't.

It didn't work out, so that's when I said, "All right. I failed, and I'm going to figure it out. And I'm going to figure it out by doing all these interviews. And anyone who wants can watch as I do these interviews and learn along with me. And I think that spirit stayed with it, a sense of I failed, so I'm going to be hungry to learn in the sense of we are all going to learn together as opposed to me saying, "I'm bringing these experts on who are terrific and experts who are perfect like me to teach you.

It's me saying, "I failed" and I want to learn from you, the interviewee, and the audience can learn along with me.

Olivia: Well, you make that sound easy that that's a natural premise, but how did you get yourself to that place? [??]

Andrew: I hung on to the invitation site for too long, and I lied to myself about how well it was doing for too long. And I said, "All right. I'm just going to let go of that. I'm not going to continue this charade." And once I did, it just felt so easy to be more open about everything, and that's what kept it going. I had to. I just felt like I had to do this video, the video where I said I failed.

The other thing was I started doing interviews before, and I felt like how can I ask someone to be open if I'm not going to be open. How can I ask someone to reveal their failures and their setbacks if I'm not going to do it? It just didn't feel right. And so I just had to go for it. Will you allow me, Olivia, with our time here before we end to say thank you to a few people?

Olivia: Yes. Good Idea. Would you allow us your reflections on 1,000 for a minute?

Andrew: Yeah.

Olivia: It's me, I'm here and I'm going to ask you. And I hope others would be as equally curious to benefit from your response. So just take a moment and talk to us about how 1,000 interviews means to you. What's your, if you want. What's your upcoming visit?

Andrew: You know the first, the thing about 1,000 interviews is that it doesn't feel like it's enough, but I'm also very proud of having done it. There were so many times where I just wanted to give up on it. Where, I said, "It's too tough to find questions." Where I would ask a question in a very convoluted way and think, "All right, I'm not a natural questioner. I'm not a natural presenter. I should just stop this and give room to someone else to do it. But I just kept going when I had those doubts, even when I had those bad days. And that's what I'm always proud of. That I just stick with it. With anything that I do, if I really feel it's important to me, I'm going to stick with it until I make it."

And sometimes that's good because, frankly, that first company, I remember going into [??] my brother was my co-founder. I remember going into his bedroom. We started it out of our parents' house. Saying, "I'm so frustrated. We are working night and day and we're not even earning minimum wage. I calculated all the profits we'd made and divided it by the hours we worked. And it was like two bucks an hour. And I said I'm so frustrated. And I could have gone and gotten a job. I worked for really good people who thankfully valued my work. And they would have taken me back after I graduated from college.

But I stuck with it. And then I remember talking with Susan. One of the people who became a big sponsor. And I called her every day. And I said, "This is Andrew Warner from Bradford and Reed. Could you please return my phone call?" And I really laid in with the Bradford and Reed part because I felt like she definitely would want to return a call to someone who was coming in from this big highfalutin company Bradford and Reed. And she wouldn't call me back. Even though I felt like Susan was buying ads from so many of my friends. Why wouldn't she even call me back and say no?

But I still kept going. I still kept calling. Then she became this, the first check from them was worth \$300,000.

I still have a copy of it somewhere. And then afterwards they did, they sent us checks for over a million dollars in ads. And I just feel like I just keep sticking with things. And that's one of the things I'm, one of the characteristics that I'm proudest of.

Olivia: And we heard from Seth that combination of persistence but also the creativity and genuineness that you bring to things.

Andrew: I do. I want to keep being genuine. I hate when I listen to interviewers who will just accept anything. Who will be really, just disingenuous. I can't listen to it. And all I do you know, I listen to podcasts around the house. I listen to podcasts when we go for long drives. I listen to podcasts as I run in the morning. I listen to people all the time. And I've done it for years.

And when someone is being disingenuous, I just feel like I know you're a fraud. Don't you know you're asking a fraudulent question? Can't you just be more honest? Does it really stink to say, "I don't know. I'm asking for myself. Does it really stink to say, "I don't really understand what you're doing?" Can you really be open about that? You know?

And so that bothers me to hear in other people, and I don't want to do that for myself. I don't want to do it for myself. I also don't want to do it for Mike Flynn, who's a premium member. Mike Flynn, thank you for being a premium member and being a supporter. For Micah Bond who's been a supporter who's a premium member. For Jordan Gal [SP], man. These people, you know, aren't just listeners.

You know, I think a lot of programs just have listeners. I have people who I think are really investing in my work here. Like Tim de Jardeen [SP]. I've talked to him. He's a big supporter. He's also a [??] Premium Member. I feel like, if dude's just hanging out, listening to my stuff for free somewhere online, yeah I want to do a good show. But the guy's actually paying to be a [??] Premium Member. I've got to, I've got to give him more. I've got to work harder. I have to be more open. Even if it means I suffer for this work. Thank you, Tim. Alright, thank you, Olivia.

Olivia: Thank you [??]

Andrew: And now the next goal is this. Here's the next goal. You were asking me about that earlier.

Olivia: I was.

Andrew: Let's find a way to [??] it together. I've been really proud to expose my audience, to expose my premium members to the best ideas I could find to the people I've admired over the years. To people like Jason Freed [SP]. To people like Seth Godin. Now I think it's time for me to assemble more of these ideas into usable philosophies and frameworks that I could then leave on as my legacy. And I think I've started to do that with True Mind. Tim is a part of the True Mind Program. And I'm really proud that he is. Howard, who's also a premium member, Howard Hermes is a premium member but also a part of the True Mind Program.

That is the first step in leaving this legacy. My hope is, when I die, people will take those ideas and use them and grow with them. Just like I was influenced by Dale Carnegie's ideas long after he died. Just like so many people came on here and talked about the authors that influenced them after they, long after those authors, long after those people died. And now, Olivia, you've got to watch as I suffer through that next part of the vision. Cool.

Olivia: Apparently, I don't suffer alongside you. I'm just inspired.

Andrew: Thank you. Thank you for being such a supporter. Thank you to all the guests that have come on here today to be on the 1,000th interview. And for everyone who listened from back in the old days when I started out with just me and a little laptop till today the 1,000th interview. It means a lot to me that you guys are out there. Thank you. Thank you all. All right, I'm going to stop the broadcast.